(31 U.S.C., sec. 757b), is amended to read as follows: "The face amount of obligations issued under authority of this Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), shall not exceed in the aggregate $285,000,000,000 outstanding at any one time."

Sec. 2. During the period beginning on July 1, 1959, and ending on June 30, 1960, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended, shall be temporarily increased by $10,000,000,000.

Sec. 3. This Act may be cited as the "Public Debt Act of 1959". Approved June 30, 1959.

Public Law 86-75

AN ACT

To provide a one-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Tax Rate Extension Act of 1959".

SEC. 2. ONE-YEAR EXTENSION OF CORPORATE NORMAL-TAX RATE. Section 11(b) (relating to corporate normal tax), section 821(a)(1)(A) (relating to mutual insurance companies other than interinsurers), and section 821(b)(1) (relating to interinsurers) of the Internal Revenue Code of 1954 are amended as follows:

(1) by striking out "JULY 1, 1959" each place it appears and inserting in lieu thereof "JULY 1, 1960";
(2) by striking out "July 1, 1959" each place it appears and inserting in lieu thereof "July 1, 1960";
(3) by striking out "JUNE 30, 1959" each place it appears and inserting in lieu thereof "JUNE 30, 1960";
(4) by striking out "June 30, 1959" each place it appears and inserting in lieu thereof "June 30, 1960".

SEC. 3. ONE-YEAR EXTENSION OF CERTAIN EXCISE TAX RATES.

(a) Extension of Rates.—The following provisions of the Internal Revenue Code of 1954 are amended by striking out "July 1, 1959" each place it appears and inserting in lieu thereof "July 1, 1960"—

(1) section 4061 (relating to motor vehicles);
(2) section 5001(a)(1) (relating to distilled spirits);
(3) section 5001(a)(3) (relating to imported perfumes containing distilled spirits);
(4) section 5022 (relating to cordials and liqueurs containing wine);
(5) section 5041(b) (relating to wines);
(6) section 5051(a) (relating to beer); and
(7) section 5701(c)(1) (relating to cigarettes).

(b) Technical Amendments.—The following provisions of the Internal Revenue Code of 1954 are amended as follows:

(1) Section 5063 (relating to floor stocks refunds on distilled spirits, wines, cordials, and beer) is amended by striking out "July 1, 1959" each place it appears and inserting in lieu thereof "July 1, 1960", and by striking out "October 1, 1959" and inserting in lieu thereof "October 1, 1960".
(2) Subsections (a) and (b) of section 5707 (relating to floor
stocks refunds on cigarettes) are amended by striking out “July
1, 1959” each place it appears and inserting in lieu thereof “July 1,
1960”, and by striking out “October 1, 1959” and inserting in lieu
thereof “October 1, 1960”.

(3) Section 6412(a)(1) (relating to floor stocks refunds on
automobiles) is amended by striking out “July 1, 1959” each
place it appears and inserting in lieu thereof “July 1, 1960”, by
striking out “October 1, 1959” and inserting in lieu thereof
“October 1, 1960”, and by striking out “November 10, 1959” each
place it appears and inserting in lieu thereof “November 10,
1960”.

Section 497 of the Revenue Act of 1951 (relating to refunds on articles
from foreign trade zones), as amended, is amended by striking out
“July 1, 1959” each place it appears and inserting in lieu thereof
“July 1, 1960”.

(c) Application.—For purposes of this section, references to pro-
visions in chapter 51 of the Internal Revenue Code of 1954 are refer-
ences to such provisions as contained in such chapter as amended by

SEC. 4. REDUCTION OF TAX ON TRANSPORTATION OF PERSONS,
EFFECTIVE JULY 1, 1960.

Section 4261 of the Internal Revenue Code of 1954 (relating to tax
on transportation of persons) is amended by striking out “to 10 per-
cent of the amount so paid.” each place it appears therein and inserting
in lieu thereof the following: “to—

“(1) 10 percent of the amount so paid before July 1, 1960; or
“(2) 5 percent of the amount so paid on or after July 1, 1960.”

SEC. 5. TERMINATION OF TAX ON GENERAL TELEPHONE SERVICE,
EFFECTIVE JULY 1, 1960.

Section 4251 of the Internal Revenue Code of 1954 (relating to tax
on communications) is amended—

(1) by inserting “(a) In General.—” at the beginning of the
text of such section; and

(2) by adding at the end thereof the following new subsection:

“(b) Termination of Tax on General Telephone Service.—

“(1) In General.—Effective as provided in paragraph (2), the
tax imposed by this section on amounts paid for general telephone
service shall cease to apply.

“(2) Effective Date.—

“(A) Subject to the provisions of subparagraph (B), para-
graph (1) shall apply with respect to amounts paid on or
after July 1, 1960, for services rendered on or after such date.

“(B) Paragraph (1) shall not apply with respect to
amounts paid pursuant to bills rendered before July 1, 1960.
In the case of amounts paid pursuant to bills rendered on or
after such date for services for which no previous bill was
rendered, paragraph (1) shall apply except with respect to
such services as were rendered more than 2 months before
such date. Paragraph (1) shall not apply with respect to
amounts paid for services rendered more than 2 months before
such date.”

Approved June 30, 1959.