

SEC. 4. Notwithstanding the provisions of section 6 of the Act of March 23, 1906 (33 U.S.C. 496), this Act shall be null and void unless the actual construction of the bridge referred to in the first section of this Act is commenced within 3 years and completed within 5 years from the date of enactment of this Act.

SEC. 5. The right to alter, amend, or repeal this Act is hereby expressly reserved.

Approved September 21, 1959.

Limitation.

Public Law 86-344

AN ACT

To amend the Internal Revenue Code of 1954 to make technical changes in certain excise tax laws, and for other purposes.

September 21, 1959
[H. R. 8725]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Excise tax laws,
technical changes.

SECTION 1. EXEMPTION OF CORAL FROM JEWELRY, ETC., EXCISE TAX ON CERTAIN SEMIPRECIOUS STONES.

(a) EXEMPTION.—Section 4001 of the Internal Revenue Code of 1954 (relating to the imposition of tax in respect of jewelry and related items) is amended by striking out “Coral”.

72 Stat. 1275.
26 USC 4001.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the first day of the first calendar month which begins more than 10 days after the date of the enactment of this Act.

SEC. 2. NONPROFIT EDUCATIONAL ORGANIZATIONS.

(a) EXEMPTION.—Section 4057 of the Internal Revenue Code of 1954 (relating to the exemption from retailers excise taxes for non-profit educational organizations) is amended—

72 Stat. 1277.
26 USC 4057.

(1) by striking out “Under” and inserting in lieu thereof “(a) EXEMPTION.—Under”;

(2) by striking out the second sentence thereof; and

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

“(b) DEFINITION.—For purposes of subsection (a), the term ‘non-profit educational organization’ means an educational organization described in section 503(b)(2) which is exempt from income tax under section 501(a). The term also includes a school operated as an activity of an organization described in section 501(c)(3) which is exempt from income tax under section 501(a), if such school normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.”

(b) DEFINITION.—Section 4221(d)(5) of the Internal Revenue Code of 1954 (relating to definitions in respect of certain tax-free sales) is amended by adding at the end thereof the following new sentence: “The term also includes a school operated as an activity of an organization described in section 501(c)(3) which is exempt from income tax under section 501(a), if such school normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.”

72 Stat. 1282.
26 USC 4221.

(c) ADMISSIONS TAX EXEMPTION.—Section 4233(a)(1)(A)(ii) of the Internal Revenue Code of 1954 (relating to admissions tax exemptions) is amended by adding at the end thereof the following: “or a school operated as an activity of an organization described in section

68A Stat. 497.
26 USC 4233.

501(c) (3) which is exempt from income tax under section 501(a), if such school normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on;”.

72 Stat. 1292.
26 USC 4294.

(d) **EXEMPTION FOR SERVICES AND FACILITIES TAXES.**—Section 4294(b) of the Internal Revenue Code of 1954 (relating to exemption from certain facilities and services taxes) is amended by adding at the end thereof the following new sentence: “The term also includes a school operated as an activity of an organization described in section 501(c) (3) which is exempt from income tax under section 501(a), if such school normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.”

(e) **EFFECTIVE DATES.**—The amendments made by subsections (a), (b), and (d) shall take effect as of January 1, 1959. The amendment made by subsection (c) shall take effect on the first day of the first calendar month which begins more than 10 days after the date of the enactment of this Act.

72 Stat. 1288.
26 USC 4243.

SEC. 3. CERTAIN PAYMENTS FOR CAPITAL IMPROVEMENTS.

(a) **EXEMPTION FROM CLUB DUES TAX.**—Section 4243(b) of the Internal Revenue Code of 1954 (relating to assessments for capital improvements) is amended to read as follows:

“(b) **PAYMENTS FOR CAPITAL IMPROVEMENTS.**—Notwithstanding any other provision of this part, there shall be exempted from the provisions of section 4241 any amount paid as dues or membership fees or as initiation fees—

“(1) for the construction or reconstruction of any social, athletic, or sporting facility, or

“(2) for the construction or reconstruction of any capital addition to, or capital improvement of, any such facility, or

“(3) for furnishings or fixtures (including installation charges) for any such facility, to the extent that such furnishings or fixtures are required, by reason of the construction or reconstruction described in paragraph (1) or (2), for the use of such facility upon completion of such construction or reconstruction;

except that, in the case of any such amount which is not expended for such construction, reconstruction, furnishings or fixtures (including installation charges) within 3 years after the date of payment of such amount, the exemption provided by this subsection shall cease to apply upon the expiration of such 3-year period, and the club or organization, rather than the person who made such payment, shall be liable for any tax imposed by section 4241 in respect of such payment, as if such payment had been made on the first day following the expiration of such 3-year period.

68A Stat. 501.
26 USC 4241.

(b) **TECHNICAL AMENDMENT.**—Section 4241(b) of such Code (relating to who pays club dues tax) is amended by striking out “The” and inserting in lieu thereof “Except as provided in section 4243(b), the”.

(c) **EFFECTIVE DATE.**—The amendments made by subsections (a) and (b) shall apply only with respect to amounts paid on or after the first day of the first calendar month which begins more than 10 days after the date of the enactment of this Act for construction or reconstruction of any social, athletic, or sporting facility (or for any capital addition to, or capital improvement of, any such facility) begun on or after January 1, 1959, or for furnishings or fixtures (including installation) required for the use of such facility upon the completion of such construction or reconstruction begun on or after such date.

SEC. 4. EXEMPTION FOR CERTAIN GENERAL TELEPHONE SERVICE.

(a) **EXEMPTION FROM TAX.**—Section 4253(f) of the Internal Revenue Code of 1954 (relating to exemptions in respect of special wire service in company business) is amended to read as follows:

72 Stat. 1290.
26 USC 4253.

“(f) **COMMON CARRIERS AND COMMUNICATIONS COMPANIES.**—No tax shall be imposed under section 4251 on the amount paid for—

“(1) any wire mileage service or wire and equipment service; or

“(2) the use of any telephone or radio telephone line or channel which constitutes general telephone service (within the meaning of section 4252(a)), but only if such line or channel connects stations between any two of which there would otherwise be a toll charge,

to the extent that the amount so paid is for use by a common carrier, telephone or telegraph company, or radio broadcasting station or network in the conduct of its business as such.”

(b) **EFFECTIVE DATE.**—

(1) Subject to the provisions of paragraph (2), the amendment made by subsection (a) shall apply with respect to amounts paid on or after January 1, 1959, for services rendered on or after such date.

(2) The amendment made by subsection (a) shall not apply with respect to amounts paid pursuant to bills rendered before January 1, 1959. In the case of amounts paid pursuant to bills rendered on or after such date for services for which no bill was rendered before such date, such amendment shall apply except with respect to such services as were rendered more than 2 months before such date. In the case of services rendered more than 2 months before such date, the provisions of subchapter B of chapter 33 of the Internal Revenue Code of 1954 in effect at the time such services were rendered shall apply to the amounts paid for such services.

68A Stat. 503.
26 USC 4251-4254.

SEC. 5. SALES OR TRANSFERS OF STOCK RIGHTS, ETC.

(a) **IMPOSITION OF TAX.**—Section 4321 of the Internal Revenue Code of 1954 (relating to imposition of tax) is amended to read as follows:

68A Stat. 515.
26 USC 4321.

“**SEC. 4321. IMPOSITION OF TAX.**

“There is hereby imposed on each sale or transfer of shares or certificates of stock, or of rights to subscribe for or to receive such shares or certificates, issued by a corporation, a tax at the rate of 4 cents on each \$100 (or major fraction thereof) of the actual value of the certificates, of the shares where no certificates are sold or transferred, or of the rights, as the case may be. In no case shall the tax so imposed on any such sale or transfer be—

“(1) more than 8 cents on each share, or

“(2) less than 4 cents on the sale or transfer.”

(b) **CERTIFICATION AS TO VALUE BY TRANSFEROR OR TRANSFEREE.**—Section 4323(b) of the Internal Revenue Code of 1954 (relating to the certification of value by a transferor or transferee) is amended to read as follows:

72 Stat. 1296.
26 USC 4323.

“(b) **CERTIFICATION AS TO VALUE BY TRANSFEROR OR TRANSFEREE.**—Where shares or certificates of stock, or of rights to subscribe for or to receive such shares or certificates, are presented for transfer and the tax thereon is paid by the use of adhesive stamps, such shares, certificates, or rights shall be accompanied by a certification signed by the transferor or his agent or the transferee or his agent as to the actual value of the shares, certificates, or rights so transferred, and any corporation or transfer agent to whom such shares, certificates, or rights are presented shall be entitled to rely on such certification without further inquiry.”

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on the first day of the first calendar month which begins more than 10 days after the date of the enactment of this Act.

SEC. 6. COIN-OPERATED DEVICES COMMONLY KNOWN AS CLAW, CRANE, AND DIGGER MACHINES, ETC.

68A Stat. 531.
26 USC 4461.

(a) RATE OF OCCUPATIONAL TAX.—Section 4461 of the Internal Revenue Code of 1954 (relating to occupational tax on coin-operated devices) is amended by inserting “(a) IN GENERAL.—” before “There” at the beginning thereof, and by adding at the end of such section the following new subsection:

72 Stat. 1304.
26 USC 4462.

“(b) REDUCED RATE.—In the case of a device which is defined in paragraph (2) of section 4462(a) and which is commonly known as a claw, crane, or digger machine, the tax imposed by subsection (a) shall be at the rate of \$10 a year (in lieu of \$250 a year) if—

“(1) the charge for each operation of such device is not more than 10 cents,

“(2) such device never dispenses a prize other than merchandise of a maximum retail value of \$1, and with respect to such device there is never a display or offer of any prize or merchandise other than merchandise dispensed by such machine,

“(3) such device is actuated by a crank and operates solely by means of a nonelectrical mechanism, and

“(4) such device is not operated other than in connection with and as part of carnivals or county or State fairs.”

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to periods after June 30, 1960.

Approved September 21, 1959.

Public Law 86-345

AN ACT

September 21, 1959
[H. R. 8911]

To provide for the presentation by the United States of a statue of General George Washington to the people of Uruguay, and for other purposes.

Uruguay.
Presentation of
Gen. George Wash-
ington statue.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of State is authorized and requested to procure a bronze statue of General George Washington and present the same, on behalf of the people of the United States, to the people of Uruguay as an expression of appreciation for the gift by the people of Uruguay of a bronze statue of General José Gervasio Artigas to the United States. Such statue shall be prepared only after the design, plans, and specifications therefor have been submitted to and approved by the National Commission of Fine Arts.

Appropriation.

SEC. 2. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, including payment of the cost of such statue, the design and construction of a suitable pedestal therefor, transportation, including insurance, and traveling expenses of persons delegated by the Secretary of State to present such statue, on behalf of the people of the United States, to the people of Uruguay.

Approved September 21, 1959.