

[CHAPTER 515]

AN ACT

To terminate certain tax provisions before the end of World War II.

August 8, 1947
[H. R. 4069]
[Public Law 384]

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

SECTION 1. SUSPENSION OF TARIFF DUTIES ON SCRAP IRON, ETC.

The Act of March 13, 1942 (Public Law 497, Seventy-seventh Congress; 56 Stat. 171), entitled "An Act to suspend the effectiveness during the existing national emergency of tariff duties on scrap iron, scrap steel, and nonferrous metal scrap" is hereby amended by striking out "termination of the unlimited national emergency proclaimed by the President on May 27, 1941" and inserting in lieu thereof "close of June 30, 1948".

26 U. S. C. § 3425
note; 19 U. S. C. § 1001
note foll. par. 301.
Ante, p. 56.

SEC. 2. FREE IMPORTATION TO MEMBERS OF ARMED FORCES OF OTHER UNITED NATIONS.

Section 5 of the joint resolution of June 27, 1942 (Public Law 635, Seventy-seventh Congress; 56 Stat. 462), entitled "Joint resolution to accord privileges of free importation to members of the armed forces of other United Nations, to enemy prisoners of war and civilian internees and detainees, and for other purposes", is hereby amended by striking out "the expiration of six months after the termination of the unlimited national emergency proclaimed by the President on May 27, 1941" and inserting in lieu thereof "July 1, 1948".

50 U. S. C. app.
§ 795.

SEC. 3. FREE ENTRY OF GIFTS FROM MEMBERS OF ARMED FORCES.

(a) Section 1 of the Act of December 5, 1942 (Public Law 790, Seventy-seventh Congress; 56 Stat. 1041), entitled "An Act to accord free entry to bona fide gifts from members of the armed forces of the United States on duty abroad" is hereby amended by inserting after the word "claimed" the words "were purchased in or through authorized agencies of the armed forces of the United States or in accordance with regulations prescribed by the major geographical commands of the United States armed forces, and".

50 U. S. C. app.
§ 846.

(b) The amendment made by subsection (a) shall be applicable in the case of articles entered for consumption or withdrawn from warehouse for consumption on and after September 1, 1947.

(c) Section 2 of such Act is hereby amended, effective as of June 30, 1947, by striking out "the expiration of six months after the termination of hostilities as determined by proclamation of the President, or by concurrent resolution of the Congress" and inserting in lieu thereof "July 1, 1949".

50 U. S. C. app.
§ 847.

SEC. 4. SUSPENSION OF TARIFF DUTY ON COCONUTS.

The Act of December 20, 1944 (Public Law 504, Seventy-eighth Congress; 58 Stat. 817), entitled "An Act to suspend the effectiveness during the existing national emergency of the tariff duty on coconuts", shall not be applicable with respect to articles entered for consumption or withdrawn from warehouse for consumption on or after the thirtieth day following the date of the enactment of this Act.

19 U. S. C. § 1001
note foll. par. 753.

SEC. 5. MERCHANT MARINE CONSTRUCTION RESERVE FUND.

For the purposes of the proviso of subsection (h) of section 511 of the Merchant Marine Act, 1936, as amended, added to such subsection by the Act of June 17, 1943 (57 Stat. 158), the present war shall be considered as having terminated on March 31, 1948.

54 Stat. 1107.
46 U. S. C. § 1161 (b).

SEC. 6. TAX DEFERMENTS OF SERVICE PERSONNEL.

50 U. S. C. app.
§ 1013 (c) (2).
Ante, p. 453.

Section 13 (c) (2) of the Missing Persons Act (Public Law 490, Seventy-seventh Congress; 56 Stat. 146) is hereby amended to read as follows:

“(2) December 31, 1947; or”.

SEC. 7. ADDITIONAL ALLOWANCE FOR MILITARY AND NAVAL PERSONNEL.

56 Stat. 814.
26 U. S. C. § 22 (b)
(13).

Section 22 (b) (13) of the Internal Revenue Code is hereby amended to read as follows:

“(13) **ADDITIONAL ALLOWANCE FOR MILITARY AND NAVAL PERSONNEL.**—

“(A) In the case of compensation received prior to January 1, 1949, during any taxable year, for active service as a commissioned officer (or a commissioned warrant officer) in the military or naval forces of the United States during the present war, or, in the case of a citizen or resident of the United States, as a member of the military or naval forces of any of the other United Nations during such war, so much of such compensation as does not exceed \$1,500.

“(B) Compensation received prior to January 1, 1949, during any taxable year, for active service as a member below the grade of commissioned officer (or commissioned warrant officer) in the military or naval forces of the United States during the present war.”

SEC. 8. INVOLUNTARY LIQUIDATION AND REPLACEMENT OF INVENTORY.

56 Stat. 814.
26 U. S. C. § 22 (d)
(6) (A).

Section 22 (d) (6) (A) of the Internal Revenue Code is hereby amended by striking out “prior to the termination of the present war as proclaimed by the President” and inserting in lieu thereof “prior to January 1, 1948”, and by striking out “not more than 3 years after the termination of the present war as proclaimed by the President” and inserting in lieu thereof “prior to January 1, 1951”.

SEC. 9. ABATEMENT OF TAX FOR MEMBERS OF ARMED FORCES UPON DEATH.

57 Stat. 149.
26 U. S. C. § 421.
Ante, p. 778.

Section 421 of the Internal Revenue Code is hereby amended by striking out “the termination of the present war as proclaimed by the President” and inserting in lieu thereof “January 1, 1948”.

SEC. 10. COLLECTION OF INCOME TAX AT SOURCE ON WAGES.

57 Stat. 126.
26 U. S. C. § 1621 (a).

(a) Section 1621 (a) of the Internal Revenue Code is hereby amended by striking out paragraph (1), by striking out the sentence following paragraph (9), and by amending paragraph (8) to read as follows:

“(8) (A) for services for an employer (other than the United States or any agency thereof) performed by a citizen of the United States, if it is reasonable to believe that during the entire calendar year the employee will be a bona fide resident of a foreign country or countries, or

“(B) for services for an employer performed within a possession of the United States by a citizen of the United States, if it is reasonable to believe that at least 80 per centum of the remuneration to be paid to the employee by such employer during the calendar year will be for such services, or”.

(b) The amendments made by this section shall be applicable with respect to wages paid on or after January 1, 1948, except that the amendment striking out paragraph (1) of section 1621 (a) of the Internal Revenue Code shall be applicable with respect to wages paid on or after January 1, 1949.

SEC. 11. TAX ON ADMISSIONS.

(a) Section 1700 (a) (1) of the Internal Revenue Code is hereby amended by striking out "(except bona fide employees, municipal officers on official business, children under twelve years of age, members of the military or naval forces of the United States when in uniform, members of the military or naval forces of any of the United Nations, when in uniform, and members of the Civilian Conservation Corps when in uniform)", and inserting in lieu thereof: "(except bona fide employees, municipal officers on official business, and children under twelve years of age)", and by striking out the last sentence.

55 Stat. 710; 56 Stat. 703.
26 U. S. C. § 1700 (a) (1).

(b) The amendments made by subsection (a), insofar as applicable with respect to amounts paid for admission, shall be applicable to amounts paid after December 31, 1947, and, insofar as applicable to free admissions, shall be applicable with respect to such admissions after December 31, 1947.

SEC. 12. TRANSPORTATION TAX EXEMPTION OF MILITARY AND NAVAL PERSONNEL.

Section 3469 (f) (2) of the Internal Revenue Code shall not be applicable to amounts paid after December 31, 1947.

55 Stat. 722.
26 U. S. C. § 3469 (f) (2).

SEC. 13. TIME FOR PERFORMING CERTAIN ACTS POSTPONED BY REASON OF WAR.

Section 3804 (c) of the Internal Revenue Code is hereby amended to read as follows:

56 Stat. 962.
26 U. S. C. § 3804 (c).

"(c) **LIMITATION ON TIME TO BE DISREGARDED.**—The period of time disregarded under this section shall not extend beyond the date specified in clause (1) or clause (2) of this subsection, whichever is the earlier:

"(1) December 31, 1947, or such date later than December 31, 1947, as the Commissioner may fix in any case in which he makes a determination under subsection (b) if such determination is made after the date this subsection as amended takes effect and is based on the existence prior to January 1, 1948, of one or more of the circumstances specified in paragraph (1), (2), or (3) of subsection (b); or

"(2) in the case of an individual with respect to whom a period of time is disregarded under this section, the fifteenth day of the third month following the month in which an executor, administrator, or a conservator of the estate of such individual qualifies."

SEC. 14. CHINA TRADE ACT CORPORATIONS.

Section 3805 of the Internal Revenue Code is hereby amended by striking out "the fifteenth day of the sixth month following the month in which the present war with Germany, Italy, and Japan is terminated, as proclaimed by the President" and inserting in lieu thereof: "December 31, 1947".

56 Stat. 963.
26 U. S. C. § 3805.

SEC. 15. PERCENTAGE DEPLETION.

(a) Section 124 (e) of the Revenue Act of 1943 (relating to termination of percentage depletion for certain minerals) is repealed as of the date of its enactment.

58 Stat. 45.
26 U. S. C. § 114
note.

53 Stat. 45; 58 Stat.
44. 26 U. S. C. § 114 (b)
(4).

(b) So much of section 114 (b) (4) of the Internal Revenue Code (relating to percentage depletion for certain minerals) as precedes the second sentence thereof, is amended to read as follows:

"(4) PERCENTAGE DEPLETION FOR COAL, BAUXITE, FLUORSPAR, FLAKE GRAPHITE, VERMICULITE, BERYL, FELDSPAR, MICA, TALC (INCLUDING PYROPHYLLITE), LEPIDOLITE, SPODUMENE, BARITE, BALL, SAGGER, AND CHINA CLAY, ROCK ASPHALT, PHOSPHATE ROCK, TRONA, BENTONITE, GILSONITE, THENARDITE, AND METAL MINES, POTASH, AND SULFUR.—

53 Stat. 14.
26 U. S. C. § 23 (m).

"(A) In General.—The allowance for depletion under section 23 (m) shall be, in the case of coal mines, 5 per centum, in the case of metal mines, bauxite, fluorspar, flake graphite, vermiculite, beryl, feldspar, mica, talc (including pyrophyllite), lepidolite, spodumene, barite, ball, sagger, and china clay, phosphate rock, rock asphalt mines, trona, bentonite, gilsonite, thenardite (from brines or mixtures of brine), and potash mines or deposits, 15 per centum, and in the case of sulfur mines or deposits, 23 per centum, of the gross income from the property during the taxable year, excluding from such gross income an amount equal to any rents or royalties paid or incurred by the taxpayer in respect of the property."

53 Stat. 45.
26 U. S. C. § 114 (b)
(2).

(c) The first sentence of section 114 (b) (2) of the Internal Revenue Code (relating to discovery value) is amended to read as follows: "In the case of mines (other than metal, bauxite, coal, fluorspar, flake graphite, vermiculite, beryl, feldspar, mica, talc (including pyrophyllite), lepidolite, spodumene, barite, potash, ball, sagger, and china clay, phosphate rock, rock asphalt, trona, bentonite, gilsonite, thenardite, or sulfur mines) discovered by the taxpayer after February 28, 1913, the basis for depletion shall be the fair market value of the property at the date of discovery or within thirty days thereafter, if such mines were not acquired as the result of purchase of a proven tract or lease, and if the fair market value of the property is materially disproportionate to the cost."

(d) The amendments made by subsections (b) and (c) of this section shall be applicable with respect to taxable years beginning after December 31, 1946.

SEC. 16. CHARITABLE CONTRIBUTIONS BY CORPORATIONS.

56 Stat. 822.
26 U. S. C. § 23 (q)
(2).

Section 23 (q) (2) of the Internal Revenue Code (relating to charitable and other contributions by corporations) is hereby amended by striking out "the date of the cessation of hostilities in the present war, as proclaimed by the President" and inserting in lieu thereof "December 31, 1948".

Approved August 8, 1947.

[CHAPTER 516]

JOINT RESOLUTION

August 8, 1947
[H. J. Res. 205]
[Public Law 385]

To authorize the Secretary of Agriculture to sell timber within the Tongass National Forest.

"Possessory rights."

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That "possessory rights" as used in this resolution shall mean all rights, if any should exist, which are based upon aboriginal occupancy or title, or upon section 8 of the Act of May 17, 1884 (23 Stat. 24), section 14 of the Act of March 3, 1891 (26 Stat. 1095), or section 27 of the Act of June 6, 1900 (31 Stat. 321), whether claimed by native tribes, native villages,

23 Stat. 26, 1100; 31
Stat. 330.
48 U. S. C. § 356.