

trust fund, the term 'bank' has the same meaning as in the Investment Company Act of 1940."

(b) Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c) (relating to exempted securities) is amended by inserting after "any municipal corporate instrumentality of one or more States;" in paragraph (12) the following: "or any security which is an industrial development bond (as defined in section 103(c)(2) of the Internal Revenue Code of 1954) the interest on which is excludable from gross income under section 103(a)(1) of such Code if, by reason of the application of paragraph (4) or (6) of section 103(c) of such Code (determined as if paragraphs (4)(A), (5), and (7) were not included in such section 103(c)), paragraph (1) of such section 103(c) does not apply to such security;"

(c) Section 304(a) of the Trust Indenture Act of 1939 (15 U.S.C. 77ddd) (relating to exempted securities) is amended by reclassifying the present text of paragraph (4) thereof as paragraph (4)(A), and by adding a new subparagraph (B) at the end of such paragraph (4), to read as follows:

"(B) any security exempted from the provisions of the Securities Act of 1933, as amended, by paragraph (2) of subsection 3(a) thereof, as amended by section 401 of the Employment Security Amendments of 1970."

(d) The amendments made by this section shall apply with respect to securities sold after January 1, 1970.

Approved December 22, 1970.

54 Stat. 791.
15 USC 80a-2.

Ante, pp. 718,
1435.

82 Stat. 266,
1349.
26 USC 103.

53 Stat. 1153.

Ante, p. 1498.

Ante, p. 718.
Effective date.

Public Law 91-568

AN ACT

To amend the peanut marketing quota provisions to make permanent certain provisions thereunder.

December 22, 1970
[H. R. 17582]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 358a of the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) Subsection (a) thereof is amended by deleting "1969, and 1970" and inserting in lieu thereof "and succeeding".

Approved December 22, 1970.

Peanut acreage
allotments.
81 Stat. 658;
83 Stat. 213.
7 USC 1358a.

Public Law 91-569

AN ACT

To amend the Interstate Commerce Act and the Federal Aviation Act of 1958 in order to exempt certain compensation of employees from withholding for income tax purposes under the laws of States or subdivisions thereof other than the State or subdivision of residence or the State or subdivision wherein more than 50 per centum of compensation is earned, and for other purposes.

December 23, 1970
[H. R. 10634]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part I of the Interstate Commerce Act is amended by redesignating section 26 as section 27 and by inserting before such section a new section as follows:

Interstate trans-
portation employ-
ees.
State income tax
withholding, cer-
tain wage exemp-
tions.
54 Stat. 919.
49 USC 27.

"EXEMPTION OF CERTAIN COMPENSATION OF EMPLOYEES FROM WITHHOLDING FOR INCOME TAX PURPOSES FOR OTHER THAN STATE OR SUBDIVISION OF RESIDENCE OR STATE OR SUBDIVISION WHEREIN MORE THAN FIFTY PER CENTUM OF COMPENSATION IS EARNED

"SEC. 26. (a) No part of the compensation paid by any railroad, express company, or sleeping car company, subject to the provisions of this part, to an employee (1) who performs his regularly assigned duties as such an employee on a locomotive, car, or other track-borne vehicle in more than one State, or (2) who is engaged principally in maintaining roadways, signals, communications, and structures or in operating motortrucks out of railroad terminals in more than one State, shall be withheld for income tax purposes pursuant to the laws of any State or subdivision thereof other than the State or subdivision wherein more than 50 per centum of the compensation paid by the carrier to such employee is earned: *Provided, however,* That if the employee did not earn more than 50 per centum of his compensation from said carrier in any one State or any subdivision thereof during the preceding calendar year, then withholding shall be required only for the State or subdivision of the employee's residence, as shown on the employment records of any such carrier; nor shall any such carrier file any information return or other report for income tax purposes with respect to such compensation with any State or subdivision thereof other than such State or subdivision of residence and the State or subdivision for which the withholding of such tax has been required under this subsection.

"(b) (1) For the purposes of subsection (a) (1), an employee shall be deemed to have earned more than 50 per centum of his compensation in any State or subdivision thereof in which the mileage traveled by him in such State or subdivision is more than 50 per centum of the total mileage traveled by him in the calendar year while so employed.

"(2) For the purposes of subsection (a) (2), an employee shall be deemed to have earned more than 50 per centum of his compensation in any State or subdivision thereof in which the time worked by him in such State or subdivision is more than 50 per centum of the total time worked by him in the calendar year while so employed.

"State."

"Compensation."

"(c) For the purposes of this section the term 'State' also means the District of Columbia; and the term 'compensation' shall mean all moneys received for services rendered by an employee, as defined in subsection (a) in the performance of his duties and shall include wages and salary."

SEC. 2. (a) Section 202(b) of the Interstate Commerce Act is amended by inserting after "Nothing in this part" a comma and the following: "except as provided in section 226A,".

(b) Part II of the Interstate Commerce Act is amended by inserting after section 226 a new section as follows:

"EXEMPTION OF CERTAIN COMPENSATION OF EMPLOYEES FROM WITHHOLDING FOR INCOME TAX PURPOSES FOR OTHER THAN STATE OR SUBDIVISION OF RESIDENCE OR STATE OR SUBDIVISION WHEREIN MORE THAN FIFTY PER CENTUM OF COMPENSATION IS EARNED

"SEC. 226A. (a) No part of the compensation paid by any motor carrier subject to the provisions of this part, or by any private carrier of property by motor vehicle, to any employee who performs his regularly assigned duties as such an employee on a motor vehicle in more than one State, shall be withheld for income tax purposes pursuant to the laws

49 Stat. 543;
54 Stat. 920;
79 Stat. 648.
49 USC 302.
Infra,
49 USC 301.

of any State or subdivision thereof other than the State or subdivision wherein more than 50 per centum of the compensation paid by the carrier to such employee is earned: *Provided, however*, That if the employee did not earn more than 50 per centum of his compensation from said carrier in any one State or any subdivision thereof during the preceding calendar year, then withholding shall be required only for the State or subdivision of the employee's residence, as shown on the employment records of any such carrier; nor shall such carrier file any information return or other report for income tax purposes with respect to such compensation with any State or subdivision thereof other than such State or subdivision of residence, and the State or subdivision for which the withholding of such tax has been required under this subsection.

"(b) For the purposes of subsection (a), an employee shall be deemed to have earned more than 50 per centum of his compensation in any State or subdivision in which the mileage traveled by him in such State or subdivision is more than 50 per centum of the total mileage traveled by him in the calendar year while so employed.

"(c) For the purpose of this section the term 'State' also means any possession of the United States or the Commonwealth of Puerto Rico; and the term 'compensation' shall mean all moneys received for services rendered by an employee, as defined in subsection (a) in the performance of his duties and shall include wages and salary."

SEC. 3. (a) Part III of the Interstate Commerce Act is amended by redesignating section 324 as section 325 and by inserting before such section a new section as follows:

"State."

"Compensation."

54 Stat. 929;
82 Stat. 1149.
49 USC 901.

"EXEMPTION OF CERTAIN COMPENSATION OF EMPLOYEES FROM REPORTING FOR INCOME TAX PURPOSES FOR OTHER THAN STATE OR SUBDIVISION OF RESIDENCE OR STATE OR SUBDIVISION WHEREIN MORE THAN FIFTY PER CENTUM OF COMPENSATION IS EARNED

"SEC. 324. (a) No water carrier subject to the provisions of this part nor any water carrier or class of water carriers operating on inland or coastal waters under an exemption provided therein shall file any information return or other report for income tax purposes with respect to the compensation paid to any employee who performs his regularly assigned duties as an employee of such carrier in more than one State with any State or subdivision thereof other than the State or subdivision of such employee's residence, as shown on the employment records of such carrier, and the State or subdivision in which such employee earned more than 50 per centum of the compensation paid him by such carrier during the preceding calendar year. The provisions of this section shall also apply with respect to the compensation paid to any master, officer, or seaman who is a member of the crew on a vessel engaged in foreign, coastwise, intercoastal or non-contiguous trade or in the fisheries of the United States.

"(b) For the purposes of subsection (a), an employee shall be deemed to have earned more than 50 per centum of his compensation in any State or subdivision in which the time worked by him in such State or subdivision is more than 50 per centum of the total time worked by him in the calendar year while so employed.

"(c) For the purpose of this section the term 'compensation' shall mean all moneys received for services rendered by an employee, as defined in subsection (a) in the performance of his duties and shall include wages and salary."

"Compensation."

(b) The table of contents contained in section 301 of the Interstate Commerce Act is amended by striking out

"Sec. 324. Separability of provisions."

and inserting in lieu thereof:

"Sec. 324. Exemption of certain compensation of employees from reporting for income tax purposes for other than State or subdivision of residence and State or subdivision wherein more than 50 per centum of compensation is earned.

"Sec. 325. Separability of provisions."

72 Stat. 797;
75 Stat. 467.
49 USC 1501.

SEC. 4. (a) Title XI of the Federal Aviation Act of 1958 is amended by inserting after section 1111 the following new section:

"EXEMPTION OF CERTAIN COMPENSATION OF EMPLOYEES FROM WITHHOLDING FOR INCOME TAX PURPOSES FOR OTHER THAN STATE OR SUBDIVISION OF RESIDENCE OR STATE OR SUBDIVISION WHEREIN MORE THAN FIFTY PER CENTUM OF COMPENSATION IS EARNED

"SEC. 1112.(a) No part of the compensation paid by any air carrier to an employee who performs his regularly assigned duties as such an employee on an aircraft in more than one State shall be withheld for income tax purposes pursuant to the laws of any State or subdivision thereof other than the State or subdivision wherein more than 50 per centum of the compensation paid by the carrier to such employee is earned: *Provided, however,* That if the employee did not earn more than 50 per centum of his compensation from said carrier in any one State or subdivision thereof during the preceding calendar year, then withholding shall be required only for the State or subdivision of the employee's residence, as shown on the employment records of any such carrier; nor shall such carrier file any information return or other report for income tax purposes with respect to such compensation with any State or subdivision thereof other than such State or subdivision of residence and the State or subdivision for which the withholding of such tax has been required under this subsection.

"(b) For the purposes of subsection (a), an employee shall be deemed to have earned 50 per centum of his compensation in any State or subdivision in which his scheduled flight time in such State or subdivision is more than 50 per centum of his total scheduled flight time in the calendar year while so employed.

"State."

"(c) For the purposes of this section the term 'State' also means the District of Columbia and any of the possessions of the United States; and the term 'compensation' shall mean all moneys received for services rendered by an employee, as defined in subsection (a) in the performance of his duties and shall include wages and salary."

"Compensation."

(b) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the heading "Title XI—Miscellaneous" is amended by adding at the end thereof the following:

"Sec. 1112. Exemption of certain compensation of employees from withholding for income tax purposes for other than State or subdivision of residence and State or subdivision wherein more than 50 per centum of compensation is earned."

Effective date.

SEC. 5. The amendments made by this Act shall become effective on the first day of the first calendar year beginning after the date of enactment of this Act.

Separability.

SEC. 6. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of this Act and the application of the provision to other persons or other circumstances shall not be affected thereby.

Approved December 23, 1970.