

PUBLIC LAWS OF THE SEVENTY-THIRD CONGRESS

OF THE

UNITED STATES OF AMERICA

Passed at the second session, which was begun and held at the city of Washington, in the District of Columbia, on Wednesday, the third day of January, 1934, and was adjourned without day on Monday, the eighteenth day of June, 1934.

FRANKLIN D. ROOSEVELT, President; JOHN N. GARNER, Vice President; KEY PITTMAN, President of the Senate *pro tempore*; HENRY T. RAINEY, Speaker of the House of Representatives.

[CHAPTER 1.]

AN ACT

To raise revenue by taxing certain intoxicating liquors, and for other purposes.

January 11, 1934.

[H. R. 6131.]

[Public, No. 83.]

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

Liquor Taxing Act of 1934.

TITLE I

SECTION 1. This Act may be cited as the "Liquor Taxing Act of 1934".

Citation of Act.
Post, p. 538.

SEC. 2. Paragraphs (3) and (4) of subdivision (a) of section 600 of the Revenue Act of 1918, as amended (relating to the tax on distilled spirits generally and the tax on distilled spirits diverted for beverage purposes) [U.S.C., Sup. VI, title 26, sec. 1150 (a) (1) and (2)], are amended to read as follows:

Distilled spirits for beverage purposes.
Vol. 40, p. 1105; Vol. 44, p. 104.
U.S.C., Supp. VII, p. 609.

"(3) On and after January 1, 1928, and until the effective date of Title I of the Liquor Taxing Act of 1934, \$1.10 on each proof gallon or wine gallon when below proof and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon; and

Existing tax rate continued until effective date of this title.

"(4) On and after the effective date of Title I of the Liquor Taxing Act of 1934, \$2.00 on each proof gallon or wine gallon when below proof and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon."

New rates.

SEC. 3. Subdivision (c) of section 600 of the Revenue Act of 1918 (relating to the internal-revenue tax on imported perfumes containing distilled spirit) [U.S.C., Sup. VI, title 26, sec. 1150 (a) (4)], is amended by striking out "\$1.10 per wine gallon" and inserting in lieu thereof "\$2.00 per wine gallon".

Imported perfumes, containing distilled spirits.
Vol. 40, p. 1106;
U.S.C., Supp. VII, p. 626.

SEC. 4. In lieu of the rate of drawback provided in section 3329 of the Revised Statutes, as amended [U.S.C., Sup. VI, title 26, sec. 1239], the rate of drawback allowed upon the exportation of distilled spirits exported on or after the effective date of this title shall be equal to the rate of the internal-revenue tax paid in respect of the distilled spirits exported but shall not exceed a rate of \$2.00 per proof gallon.

Drawback on exported distilled spirits.
R.S., sec. 3329, p. 647;
U.S.C., Supp. VII, p. 626.

SEC. 5. Section 3309 of the Revised Statutes, as amended (relating to the tax on deficiencies in distilled spirits production) [U.S.C., Sup. VI, title 26, sec. 1197], is amended by striking out "at the rate of \$1.10" wherever such phrase appears and inserting in lieu thereof "at the rate of tax imposed by law".

Assessment for deficiencies in spirits production.
R.S., sec. 3309, p. 641;
U.S.C., Supp. VII, p. 619.

Still wines.
Vol. 40, p. 1110; Vol.
45, p. 868; U.S.C.,
Supp. VII, p. 633.

SEC. 6. So much of section 611 of the Revenue Act of 1918, as amended (relating to the tax on still wines) [U.S.C., Sup. VI, title 26, sec. 1300 (a) (1)], as reads:

"On wines containing not more than 14 per centum of absolute alcohol, 4 cents per wine gallon, the per centum of alcohol taxable under this section to be reckoned by volume and not by weight;

"On wines containing more than 14 per centum and not exceeding 21 per centum of absolute alcohol, 10 cents per wine gallon;

"On wines containing more than 21 per centum and not exceeding 24 per centum of absolute alcohol, 25 cents per wine gallon;

"All such wines containing more than 24 per centum of absolute alcohol by volume shall be classed as distilled spirits and shall pay tax accordingly."

is amended to read as follows:

"On wines containing not more than 14 per centum of absolute alcohol, 10 cents per wine gallon, the per centum of alcohol under this section to be reckoned by volume and not by weight;

"On wines containing more than 14 per centum and not exceeding 21 per centum of absolute alcohol, 20 cents per wine gallon;

"On wines containing more than 21 per centum and not exceeding 24 per centum of absolute alcohol, 40 cents per wine gallon;

"All such wines containing more than 24 per centum of absolute alcohol by volume shall be classed as distilled spirits and shall be taxed accordingly."

Classed as distilled
spirits, if over 24%
alcohol.

Post, p. 315.

Sparkling wines, etc.
Vol. 40, p. 1110; Vol.
41, p. 521; U.S.C.,
Supp. VII, p. 633.

SEC. 7. So much of section 613 of the Revenue Act of 1918 [U.S.C., Sup. VI, title 26, sec. 1300 (a) (2)] as reads:

"On each bottle or other container of champagne or sparkling wine, 12 cents on each one-half pint or fraction thereof;

"On each bottle or other container of artificially carbonated wine, 6 cents on each one-half pint or fraction thereof;

"On each bottle or other container of liqueurs, cordials, or similar compounds, by whatever name sold or offered for sale, containing sweet wine fortified with grape brandy, 6 cents on each one-half pint or fraction thereof."

is amended to read as follows:

"On each bottle or other container of champagne or sparkling wine, 5 cents on each one-half pint or fraction thereof;

"On each bottle or other container of artificially carbonated wine, 2½ cents on each one-half pint or fraction thereof;

"On each bottle or other container of liqueurs, cordials, or similar compounds, by whatever name sold or offered for sale, containing sweet wine fortified with grape brandy, 2½ cents on each one-half pint or fraction thereof;

"Any of the foregoing articles containing more than 24 per centum of absolute alcohol by volume shall be classed as distilled spirits and shall be taxed accordingly."

Grape brandy, etc.,
for wine fortification.
Vol. 40, p. 1110;
U.S.C., Supp. VII, p.
633.

SEC. 8. Section 612 of the Revenue Act of 1918, as amended (relating to the tax on grape brandy and wine spirits withdrawn and used in the fortification of wines) [U.S.C., Sup. VI, title 26, sec. 1301], is amended by striking out "10 cents per proof gallon" and inserting in lieu thereof "20 cents per proof gallon".

Malt liquors, etc.
Vol. 40, p. 1108;
U.S.C., Supp. VII, p.
636.

SEC. 9. (a) Section 608 of the Revenue Act of 1918, as amended (relating to the tax on malt liquors) [U.S.C., Sup. VI, title 26, sec. 1330 (a)], is amended by striking out "a tax of \$6.00" and inserting in lieu thereof "a tax of \$5.00".

Tax on nonintoxicating liquor.

(b) Subsection (a) of section 1 of the Act entitled "An Act to provide revenue by the taxation of certain nonintoxicating liquor,

and for other purposes", approved March 22, 1933, is hereby repealed.

(c) Paragraph "First" of section 3244 of the Revised Statutes, as amended, is amended to read as follows:

"First. Brewers shall pay \$100 in respect of each brewery: *Provided*, That any brewer of less than 500 barrels a year shall pay the sum of \$50. Every person who manufactures fermented liquors of any name or description for sale, from malt, wholly or in part, or from any substitute therefor, shall be deemed a brewer."

SEC. 10. (a) Upon all distilled spirits produced in or imported into the United States upon which the internal-revenue tax imposed by law has been paid, and which, on the day this title takes effect, are held by any person and intended for sale or for use in the manufacture or production of any article intended for sale, there shall be levied, assessed, collected, and paid a floor tax equal to the amount if any, by which the tax provided for under this title exceeds the tax so paid, not including in the computation of the tax so paid the 30 cent tax imposed by section 605 of the Revenue Act of 1918.

(b) Upon all articles specified in section 6 or 7 of this title produced in or imported into the United States upon which the internal-revenue tax imposed by law has been paid, and which, on the day this title takes effect, are held by any person and intended for sale or for use in the manufacture or production of any article intended for sale, there shall be levied, assessed, collected, and paid a floor tax equal to the amount, if any, by which the tax provided for under such sections of this title exceeds the tax so paid, not including in the computation of the tax so paid the 30 cent tax imposed by section 605 of the Revenue Act of 1918.

(c) Upon all wines held by the producer thereof upon the day this title takes effect and intended for sale or for use in the manufacture or production of any article intended for sale, there shall be levied, assessed, collected, and paid a floor tax equal to the amount, if any, by which the tax provided for under section 8 of this title exceeds the tax paid upon the grape brandy or wine spirits used in the fortification of such wine.

(d) The person required by this section to pay any floor tax shall, within thirty days after the effective date of this title, make return under oath in such form and under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe. Payment of the tax shown to be due may be extended to a date not exceeding seven months after the effective date of this title, upon the filing of a bond for payment in such form and amount and with such sureties as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe. All provisions of law (including penalties) applicable in respect of internal-revenue taxes on distilled spirits or wines shall, in so far as applicable and not inconsistent with this section, be applicable in respect of the taxes imposed by this section.

(e) As used in this section and in Title II, the term "person" includes an individual, a partnership, an association, and a corporation; and the term "distilled spirits" includes products produced in such manner that the person producing them is a rectifier within the meaning of section 3244 of the Revised Statutes, as amended.

SEC. 11. As used in this Act, the term "internal-revenue taxes" does not include taxes imposed under the Agricultural Adjustment Act.

Ante, p. 16

Occupational tax amendment.
R.S., sec. 3244, p. 622;
U.S.C., p. 740.
Brewers' tax
Ante, p. 16

Proviso.
"Brewer," defined

Floor taxes.
Distilled spirits.

Wines, etc.
Ante, p. 311.

Grape brandy for fortifying wines.

Assessment and collection provisions.

Terms defined.
"Person"; "distilled spirits."

Rectifier.
R.S., sec. 3244, p. 622.

Taxes under Agricultural Adjustment Act, not included herein.

Advertisements, etc., by mail; provisions repealed.
 Vol. 39, p. 1069; U.S.C., p. 488; Supp. VII, p. 350.
Anie, p. 17.
 Shipments, etc., of, contrary to State, etc., laws; punishment for.

Ethyl alcohol for Government, etc., use.
 Vol. 40, p. 329.

Effective date of title.

Internal revenue.

Affixing tax-paid stamps to containers.

Exceptions.

Stamps on present stock.

Purchase and issue of stamps.

SEC. 12. That section 5 of the Act entitled "An Act making appropriations for the Post Office Department for the year ending June 30, 1918", approved March 3, 1917, as amended, is amended to read as follows:

"SEC. 5. Whoever shall order, purchase, or cause intoxicating liquors to be transported in interstate commerce, except for scientific, sacramental, medicinal, and mechanical purposes, into any State, Territory, or the District of Columbia, the laws of which prohibit the manufacture or sale therein of intoxicating liquors for beverage purposes, shall be fined not more than \$1,000 or imprisoned not more than six months, or both; and for any subsequent offense shall be imprisoned not more than one year."

Nothing in this Act shall be construed to amend or repeal any provision of section 1110 of the Revenue Act of 1917.

SEC. 13. This title shall take effect on the day following its enactment.

TITLE II

SEC. 201. No person shall (except as provided in section 202) transport, possess, buy, sell, or transfer any distilled spirits, unless the immediate container thereof has affixed thereto a stamp denoting the quantity of distilled spirits contained therein and evidencing payment of all internal-revenue taxes imposed on such spirits. The provisions of this title shall not apply to—

- (a) Distilled spirits placed in a container for immediate consumption on the premises or for preparation for such consumption;
- (b) Distilled spirits in bond or in customs custody;
- (c) Distilled spirits in immediate containers required to be stamped under existing law;
- (d) Distilled spirits in actual process of rectification, blending, or bottling, or in actual use in processes of manufacture;
- (e) Distilled spirits on which no internal-revenue tax is required to be paid;
- (f) Distilled spirits not intended for sale or for use in the manufacture or production of any article intended for sale; or

(g) Any regularly established common carrier receiving, transporting, delivering, or holding for transportation or delivery distilled spirits in the ordinary course of its business as a common carrier.

SEC. 202. Every person who, on the effective date of this title, holds for sale (or use in the manufacture or production of an article intended for sale) any distilled spirits in containers required to be stamped by section 201, on which all internal-revenue taxes have been paid, may possess such spirits, but shall, not later than the tenth day after such date, apply for, and shall be sold (in accordance with section 203) the requisite stamps. Such stamps shall be promptly affixed to the immediate containers of such spirits, except that when such spirits contained in bottles in closed cases are held for sale or sold otherwise than at retail, such stamps need not be affixed until the cases are opened or sold at retail, when such stamps shall be immediately affixed to the bottles, but such stamps shall be sold or transferred in connection with any sale or transfer of such spirits and the person in possession of such spirits shall be in possession of such stamps therefor.

SEC. 203. Any person placing or intending to place any distilled spirits upon which all internal-revenue taxes have been paid into any container upon which a stamp is required by this title, or withdrawing or intending to withdraw any imported spirits in such containers from customs custody, shall be entitled to purchase sufficient stamps for stamping such containers. Such stamps shall be

issued by the Commissioner of Internal Revenue to each Collector of Internal Revenue, upon his requisition, in such numbers as may be necessary in his district, and shall be sold by the Collectors to persons entitled thereto upon application therefor and compliance with regulations under this title, at a price of 1 cent for each stamp, except that in the case of stamps for containers of less than one half pint the price shall be one quarter of 1 cent for each stamp. When in his judgment there is no danger to the revenue, and upon the giving of such bonds or other security as he may deem necessary, the Commissioner may authorize (1) the sale prior to the effective date of this title of such stamps and (2) the sale of such stamps to importers for stamping containers in the country from which imported.

SEC. 204. Every person emptying any container stamped under the provisions of this title shall at the time of emptying such container destroy the stamp thereon.

SEC. 205. The Commissioner, with the approval of the Secretary of the Treasury, shall prescribe (a) regulations with respect to the time and manner of applying for, issuing, affixing, and destroying stamps required by this title, the form and denominations of such stamps, proof that applicants are entitled to such stamps, and the method of accounting for receipts from the sale of such stamps, and (b) such other regulations as he shall deem necessary for the enforcement of this title.

SEC. 206. All distilled spirits found in any container required to bear a stamp by this title, which container is not stamped in compliance with this title and regulations issued thereunder, shall be forfeited to the United States. Distilled spirits placed in such containers prior to the effective date of this title shall not be subject to this section until the expiration of 10 days after the effective date of this title, nor (when it is established that application for stamps therefor was made within the proper time) until such stamps are received by the applicant.

SEC. 207. Any person who violates any provision of this title, or who, with intent to defraud, falsely makes, forges, alters, or counterfeits any stamp made or used under this title, or who uses, sells, or has in his possession any such forged, altered, or counterfeited stamp, or any plate or die used or which may be used in the manufacture thereof, or any stamp required to be destroyed by this title, or who makes, uses, sells, or has in his possession any paper in imitation of the paper used in the manufacture of any such stamp, or who reuses any stamp required to be destroyed by this title, or who places any distilled spirits in any bottle which has been filled and stamped under this title without destroying the stamp previously affixed to such bottle, or who affixes any stamp issued under this title to any container of distilled spirits on which any tax due is unpaid, or who makes any false statement in any application for stamps under this title, or who has in his possession any such stamps obtained by him otherwise than as provided in sections 202 and 203, or who sells or transfers any such stamp otherwise than as provided in section 202, shall on conviction be punished by a fine not exceeding \$1,000, or by imprisonment at hard labor not exceeding five years, or by both. Any officer authorized to enforce any provisions of law relating to internal revenue stamps is authorized to enforce the provisions of this section and the provisions of section 7 of the Act of March 3, 1897, relating to the bottling of distilled spirits in bond.

SEC. 208. This title shall take effect on the thirtieth day following the date of the enactment of this Act, except that if on or before the twentieth day following the date of the enactment of this Act

Defacing stamps

Regulations to be prescribed.

Forfeiture of spirits, unstamped container.

Existing stock.

Violations and penalties. Counterfeiting, etc., stamps.

Reuse or misuse.

Ante, p. 316.

Enforcement.

Vol. 29, p. 623. U.S.C., p. 767.

Effective date of title.

the Secretary of the Treasury finds that it is impracticable to put this title into effect on the thirtieth day following the date of the enactment of this Act and so proclaims, specifying the date, not later than the sixtieth day following the date of the enactment of this Act, on which it will be practicable to put this title into effect, this title shall take effect on the date specified in such proclamation. Notwithstanding the previous provisions of this section, this section and sections 202, 203, and 205 shall take effect on the date of the enactment of this Act.

Approved January 11, 1934, 11.50 p.m.

Effective date of designated sections.

[CHAPTER 2.]

JOINT RESOLUTION

January 18, 1934.
[H.J. Res. 228.]
[Pub. Res., No. 12.]

To provide for certain expenses incident to the second session of the Seventy-third Congress.

Appropriations for certain legislative expenses, second session, Seventy-third Congress.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the payment of certain expenses incident to the second session of the Seventy-third Congress, namely:

Senate.

SENATE

Mileage.

For mileage of Senators, \$38,250.

House of Representatives.

HOUSE OF REPRESENTATIVES

Mileage, etc.

For mileage of Representatives, the Delegate from Hawaii, and the Resident Commissioner from Puerto Rico, and for expenses of the Delegate from Alaska and the Resident Commissioners from the Philippine Islands, \$131,250.

Stationery.

For stationery for Representatives, Delegates, and Resident Commissioners, including \$4,400 for stationery for the use of the committees and officers of the House, \$44,000, to be available for expenditure notwithstanding the provisions of section 304 of the Act of June 30, 1932 (47 Stat. 408), as continued and made applicable to the fiscal year 1934 by section 4 (a), Title II, of the Act of March 20, 1933 (48 Stat. 13): *Provided*, That from such sum each Representative, Delegate, and Resident Commissioner shall be allowed \$90 for stationery allowance or commutation therefor.

Approved, January 18, 1934.

Limitations waived. Vol. 47, p. 408. *Ante*, p. 13.

Proviso.
Stationery allowance.

[CHAPTER 3.]

AN ACT

January 20, 1934.
[S. 2125.]
[Public, No. 84.]

To continue the functions of the Reconstruction Finance Corporation, to provide additional funds for the Corporation, and for other purposes.

Reconstruction Finance Corporation. Functions, etc., continued. Vol. 47, p. 5.

Liquidation, etc., postponed. Vol. 47, p. 10.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That until February 1, 1935, or such earlier date as the President may fix by proclamation, the Reconstruction Finance Corporation is hereby authorized to continue to perform all functions which it is authorized to perform under existing law, and the liquidation and winding up of its affairs as provided for by section 13 of the Reconstruction Finance Corporation Act, as amended, are hereby postponed during the period that the functions of the Corporation are continued pursuant to this Act.