

[CHAPTER 225]

AN ACT

For the relief of the city of Atlanta, Georgia.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$276.38 to the city of Atlanta, Georgia, in full settlement of all claims against the United States for the construction of a cement sidewalk adjacent to the property of the Civil Aeronautics Administration on Wells Street in that city: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Approved, April 8, 1942.

April 8, 1942

[H. R. 5866]

[Public Law 518]

City of Atlanta, Ga.
Payment to.*Proviso.*

[CHAPTER 226]

AN ACT

To amend the provisions of the Internal Revenue Code by setting new maximum limits on allowances for losses of distilled spirits by leakage or evaporation while in internal revenue bonded warehouses, and for other purposes.

April 8, 1942

[H. R. 6273]

[Public Law 519]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2901 of the Internal Revenue Code, as amended, is amended to read as follows:

Internal Revenue
Code, amendments.
53 Stat. 340.
26 U. S. C. § 2901;
Supp. I, § 2901.

"SEC. 2901. LOSS ALLOWANCES.

"(a) LEAKAGE OR EVAPORATION.—(1) Any distilled spirits on deposit in any internal revenue bonded warehouse on the date this amendatory subsection takes effect, or thereafter deposited in any internal revenue bonded warehouse, may, at the time of withdrawal of the spirits from such warehouse, upon the filing of an application for the regauge of such spirits, giving a description of the package containing the spirits, be regauged by a storekeeper-gauger who shall place upon such package such marks and brands as the Commissioner, with the approval of the Secretary, shall by regulations prescribe. If upon such regauging it shall appear there has been a loss by leakage or evaporation of distilled spirits from any cask or package, without the fault or negligence of the distiller or warehouseman, taxes shall be collected only on the quantity of distilled spirits contained in such cask or package at the time of such withdrawal. The allowance which shall be made for such loss of spirits shall not exceed—

Distilled spirits.

"1½ proof gallons for 2 months or part thereof;

"2½ gallons for more than 2 months and not more than 4 months;

"3 gallons for more than 4 months and not more than 6 months;

"3½ gallons for more than 6 months and not more than 8 months;

"4 gallons for more than 8 months and not more than 10 months;

"4½ gallons for more than 10 months and not more than 12 months;

"5 gallons for more than 12 months and not more than 14 months;
 "5½ gallons for more than 14 months and not more than 16 months;
 "6 gallons for more than 16 months and not more than 18 months;
 "6½ gallons for more than 18 months and not more than 21 months;
 "7 gallons for more than 21 months and not more than 24 months;
 "7½ gallons for more than 24 months and not more than 27 months;
 "8 gallons for more than 27 months and not more than 30 months;
 "8½ gallons for more than 30 months and not more than 33 months;
 "9 gallons for more than 33 months and not more than 36 months;
 "9½ gallons for more than 36 months and not more than 39 months;
 "10 gallons for more than 39 months and not more than 42 months;
 "10½ gallons for more than 42 months and not more than 45 months;
 "11 gallons for more than 45 months and not more than 48 months;
 "11½ gallons for more than 48 months and not more than 51 months;
 "12 gallons for more than 51 months and not more than 54 months;
 "12½ gallons for more than 54 months and not more than 57 months;
 "13 gallons for more than 57 months and not more than 60 months;
 "13½ gallons for more than 60 months and not more than 63 months;
 "14 gallons for more than 63 months and not more than 66 months;
 "14½ gallons for more than 66 months and not more than 69 months;
 "15 gallons for more than 69 months and not more than 72 months;
 "15½ gallons for more than 72 months and not more than 75 months;
 "16 gallons for more than 75 months and not more than 78 months;
 "16½ gallons for more than 78 months and not more than 81 months;
 "17 gallons for more than 81 months and not more than 84 months;
 "17½ gallons for more than 84 months and not more than 90 months;
 "18 gallons for more than 90 months from the date of original gauge as to fruit brandy, or original entry as to all other spirits; and no further allowance shall be made for loss by leakage or evaporation.

Exception.

"The foregoing allowance shall not apply to distilled spirits which on July 26, 1936, were eight years of age, or older, and which on that date were in bonded warehouses.

"The foregoing allowance for loss shall apply only to casks or packages of a capacity of forty or more wine-gallons, and the allowance for loss on casks or packages of less capacity than forty gallons shall not exceed one-half the amount allowed on said forty-gallon casks or packages; but no allowance shall be made on casks or packages of less capacity than twenty gallons. The proof of such distilled spirits shall not in any case be computed at the time of withdrawal at less than 100 per centum.

"(b) Loss.—The Commissioner of Internal Revenue may, under regulations to be prescribed by him and approved by the Secretary of the Treasury, abate any internal-revenue taxes accruing on distilled spirits if he shall find that—

"(1) The distilled spirits were not stolen or intentionally destroyed but were lost, otherwise than by leakage or evaporation, while on the premises of a registered distillery, during or after production and prior to deposit in an internal revenue bonded warehouse.

"(2) The distilled spirits were not stolen or intentionally destroyed but were lost, otherwise than by leakage or evaporation, while being transferred between buildings constituting the same internal revenue bonded warehouse or while being transferred by a common carrier from the premises of a registered distillery to an internal revenue bonded warehouse off such registered distillery premises, or while being transferred by a common carrier between internal revenue bonded warehouses.

"(3) The distilled spirits were not stolen or intentionally destroyed but were lost, otherwise than by leakage or evaporation, while the same remained in an internal revenue bonded warehouse and such loss is not allowable under subsection (a) hereof.

"(4) The distilled spirits were withdrawn for use in the fortification of sweet wines and were not stolen or intentionally destroyed but were lost, otherwise than by leakage or evaporation, prior to such use while being transferred to, or while stored in, the fortifying room on the bonded winery premises.

"(5) The distilled spirits were lost by theft from the premises of a registered distillery, or while being transferred between buildings, constituting the same internal revenue bonded warehouse, or while being transferred by common carrier to an internal revenue bonded warehouse off such registered distillery premises, or while being transferred by a common carrier between internal revenue bonded warehouses, and that such loss did not occur as the result of connivance, collusion, fraud, or negligence on the part of the distiller, owner, consignor, consignee, bailee, or carrier, or the employees of any of them.

"(6) The distilled spirits were lost by theft from an internal revenue bonded warehouse, and that such loss did not occur as the result of connivance, collusion, fraud, or negligence on the part of the distiller, owner, or warehouseman, or the employees of any of them.

"(7) The distilled spirits were withdrawn for use in the fortification of sweet wines and were lost by theft prior to such use while being transferred to, or while stored in, the fortifying room on the bonded winery premises, and that such loss did not occur as the result of connivance, collusion, fraud, or negligence on the part of the distiller, owner, consignor, consignee, bailee, or carrier, or the employees of any of them.

"(8) The distilled spirits were unfit for use for beverage purposes and were voluntarily destroyed by the distiller, the warehouseman, or the proprietor of the bonded winery premises,

Limitations.

Abatement of tax.

Loss while on distillery premises.

While being transferred.

In bonded warehouse.

After withdrawal for fortification of sweet wines.

Losses by theft.

Distilled spirits unfit for beverage purposes.

pursuant to the written permission of the Commissioner in each case and under regulations which the Commissioner, with the approval of the Secretary, is hereby authorized to promulgate.

“(c) REFUND OF TAX.—When, in any case to which subsection (a) or (b) applies, the tax is paid subsequent to the loss or destruction, as the case may be, of the spirits, the Commissioner may, under regulations prescribed by him with the approval of the Secretary, refund such tax.

“(d) INSURANCE COVERAGE.—The abatement or refund of taxes provided for by subsections (b) and (c) shall only be allowed to the extent that the claimant is not indemnified against or recompensed for such loss.

“(e) TRANSFER OF DUTIES.—For transfer of powers and duties of Commissioner and his agents, see section 3170.”

SEC. 2. Section 2901 (a), (b), (c), and (d), as amended by this Act, shall apply to any claim for taxes which may accrue after the date of enactment of this Act. Claims for taxes or tax penalties that accrued on or before the date of enactment of this Act shall be subject to section 2901 of the Internal Revenue Code as it existed prior to its amendment by this Act. Nothing in section 2901, as hereby amended, shall be construed as in any manner limiting or restricting the provisions of part II, subchapter C, chapter 26, of the Internal Revenue Code.

Approved, April 8, 1942.

53 Stat. 373.
26 U. S. C., Supp.
I, § 3170.
Application of provisions.
Ante, p. 201.

53 Stat. 340.
26 U. S. C. § 2901;
Supp. I, § 2901.

53 Stat. 357.
26 U. S. C. §§ 3100-
3124.

[CHAPTER 227]

AN ACT

To extend the crediting of military service under the Railroad Retirement Acts, and for other purposes.

April 8, 1942
[H. R. 6387]
[Public Law 520]

Railroad Retirement Act of 1937, amendments.
45 U. S. C. §§ 228a-228r.

54 Stat. 1014.
45 U. S. C. § 228c-1
(a).
Inclusion of military service for annuity purposes.

Provisos.

50 Stat. 310.
45 U. S. C. § 228c
(b).
Entrance prior to war service period.

54 Stat. 1014.
45 U. S. C. § 228c-1
(b).
“Military service.”
50 Stat. 318.
45 U. S. C. §§ 215-228 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act approved June 24, 1937 (50 Stat. 307), entitled “An Act to amend an Act entitled ‘An Act to establish a retirement system for employees of carriers subject to the Interstate Commerce Act, and for other purposes’, approved August 29, 1935”, as amended, is hereby amended as follows:

Subsection (a) of section 3A is hereby amended to read as follows: “(a) For the purposes of determining eligibility for an annuity and computing an annuity, including a minimum annuity, there shall also be included in an individual’s years of service, within the limitations hereinafter provided in this section, voluntary or involuntary military service of an individual within or without the United States during any war service period, including such military service prior to the date of enactment of this amendment: *Provided, however,* That such military service shall be included only subject to and in accordance with the provisions of subsection (b) of section 3, in the same manner as though military service were service rendered as an employee: *Provided further,* That an individual who entered military service prior to a war service period shall not be regarded as having been in military service in a war service period with respect to any part of the period for which he entered such military service.”

SEC. 2. Subsection (b) of section 3A is hereby amended to read as follows:

“(b) For the purpose of this section and section 202, as amended, an individual shall be deemed to have been in ‘military service’ when commissioned or enrolled in the active service of the land or naval forces of the United States and until resignation or discharge there-