

## Public Law 86-781

## AN ACT

Relating to the treatment of charges for local advertising for purposes of determining the manufacturers sale price.

September 14, 1960  
[H. R. 12536]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 4216 of the Internal Revenue Code of 1954 (relating to definition of price for purposes of the manufacturers excise tax) is amended by adding at the end thereof the following new subsection:

Manufacturers  
excise taxes.  
Advertising  
charges.  
26 USC 4216.

“(f) EXCLUSION OF LOCAL ADVERTISING CHARGE FROM SALE PRICE.—

“(1) EXCLUSION.—In determining, for purposes of this chapter, the price for which an article is sold, there shall be excluded a charge for local advertising (as defined in paragraph (4)) to the extent that such charge—

“(A) does not exceed 5 percent of the price for which the article is sold (as determined under this section by excluding any charge for local advertising),

“(B) is a separate charge made when the article is sold, and

“(C) is intended to be refunded to the purchaser or any subsequent vendee in reimbursement of costs incurred for local advertising.

In the case of any such charge (or portion thereof) which is not so refunded before the first day of the fifth calendar month following the calendar year during which the article was sold, the exclusion provided by the preceding sentence shall cease to apply as of such first day.

“(2) AGGREGATE AMOUNT WHICH MAY BE EXCLUDED.—In the case of articles upon the sale of which tax was imposed under the same section of this chapter—

“(A) The sum of (i) the aggregate of the charges for local advertising excluded under paragraph (1), plus (ii) the aggregate of the readjustments for local advertising under section 6416(b)(1) (relating to credits or refunds for price readjustments), shall not exceed

“(B) 5 percent of the aggregate of the prices (determined under this section by excluding all charges for local advertising) at which such articles were sold in sales on which tax was imposed by such section of this chapter.

The preceding sentence shall be applied to each manufacturer, producer, and importer as of the close of each calendar quarter, taking into account the items specified in subparagraphs (A) and (B) for such calendar quarter and preceding calendar quarters in the same calendar year.

“(3) NO ADJUSTMENT FOR OTHER ADVERTISING CHARGES.—Except to the extent provided by paragraphs (1) and (2), no charge or expenditure for advertising shall serve, for purposes of this section or section 6416(b)(1), as the basis for an exclusion from, or as a readjustment of, the price of any article.

“(4) LOCAL ADVERTISING DEFINED.—For purposes of this section and section 6416(b)(1), the term ‘local advertising’ means only advertising which—

“(A) is initiated or obtained by the purchaser or any subsequent vendee,

“(B) names the article for which the price is determinable under this section and states the location at which such article may be purchased at retail, and

“(C) is broadcast over a radio station or television station or appears in a newspaper.”

Post, p. 1018.

26 USC 6416.

SEC. 2. The first sentence of paragraph (1) of section 6416(b) of the Internal Revenue Code of 1954 (relating to credits or refunds for price readjustments) is amended by inserting after "or allowance," the following: "including (in the case of a tax imposed by chapter 32) a readjustment for local advertising (but only to the extent provided in section 4216(f) (2) and (3))."

SEC. 3. The amendments made by this Act shall apply with respect to articles sold on or after the first day of the first calendar quarter beginning more than twenty days after the date of the enactment of this Act.

Minerals and  
ores.  
Percentage de-  
pletion.

SEC. 4. Subsection (c) of section 302 of the Public Debt and Tax Rate Extension Act of 1960 (Public Law 86-564; 74 Stat. 293) is amended to read as follows:

"(c) EFFECTIVE DATE.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsections (a) and (b) shall be applicable only with respect to taxable years beginning after December 31, 1960.

"(2) CALCIUM CARBONATES, ETC.—

"(A) ELECTION FOR PAST YEARS.—In the case of calcium carbonates or other minerals when used in making cement, if an election is made by the taxpayer under subparagraph (C)—

"(i) the amendments made by subsection (b) shall apply to taxable years with respect to which such election is effective, and

"(ii) provisions having the same effect as the amendments made by subsection (b) shall be deemed to be included in the Internal Revenue Code of 1939 and shall apply to taxable years with respect to which such election is effective in lieu of the corresponding provisions of such Code.

"(B) YEARS TO WHICH APPLICABLE.—An election made under subparagraph (C) to have the provisions of this paragraph apply shall be effective for all taxable years beginning before January 1, 1961, in respect of which—

"(i) the assessment of a deficiency,

"(ii) the refund or credit of an overpayment, or

"(iii) the commencement of a suit for recovery of a refund under section 7405 of the Internal Revenue Code of 1954,

is not prevented on the date of the enactment of this paragraph by the operation of any law or rule of law. Such election shall also be effective for any taxable year beginning before January 1, 1961, in respect of which an assessment of a deficiency has been made but not collected on or before the date of the enactment of this paragraph.

"(C) TIME AND MANNER OF ELECTION.—An election to have the provisions of this paragraph apply shall be made by the taxpayer on or before the 60th day after the date of publication in the Federal Register of final regulations issued under authority of subparagraph (F), and shall be made in such form and manner as the Secretary of the Treasury or his delegate shall prescribe by regulations. Such election, if made, may not be revoked.

"(D) STATUTES OF LIMITATION.—Notwithstanding any other law, the period within which an assessment of a deficiency attributable to the application of the amendments made by subsection (b) may be made with respect to any

53 Stat. 4.

26 USC 7405.

Publication in  
F. R.

taxable year to which such amendments apply under an election made under subparagraph (C), and the period within which a claim for refund or credit of an overpayment attributable to the application of such amendments may be made with respect to any such taxable year, shall not expire prior to one year after the last day for making an election under subparagraph (C). An election by a taxpayer under subparagraph (C) shall be considered as a consent to the application of the provisions of this subparagraph.

“(E) TERMS; APPLICABILITY OF OTHER LAWS.—Except where otherwise distinctly expressed or manifestly intended, terms used in this paragraph shall have the same meaning as when used in the Internal Revenue Code of 1954 (or corresponding provisions of the Internal Revenue Code of 1939) and all provisions of law shall apply with respect to this paragraph as if this paragraph were a part of such Code (or corresponding provisions of the Internal Revenue Code of 1939).

“(F) REGULATIONS.—The Secretary of the Treasury or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this paragraph.”

SEC. 5. (a) The Iron Workers, Mid-America Pension Fund, which was established by an indenture executed on January 30, 1957, as a result of an agreement between various locals affiliated with the International Association of Bridge, Structural, and Ornamental Iron Workers and three employer associations, and which has been held by the Internal Revenue Service to constitute a qualified trust under section 401(a) of the Internal Revenue Code of 1954, and to be exempt from taxation under section 501(a), of such Code, for years ending on or after December 17, 1958, shall be held and considered to have been a qualified trust under such section 401(a), and to have been exempt from taxation under such section 501(a), for the period beginning on January 30, 1957, and ending on December 16, 1958, but only if it is shown to the satisfaction of the Secretary of the Treasury or his delegate that the trust has not in this period been operated in a manner which would jeopardize the interests of its beneficiaries.

(b) The Pattern Makers' Pension Trust Fund of Chicago, which was established by an agreement and declaration executed on April 28, 1958, between the Pattern Makers' League of North America, Chicago Association, and the Pattern Manufacturers' Association of Chicago and Vicinity, and which has been held by the Internal Revenue Service to constitute a qualified trust under section 401(a) of the Internal Revenue Code of 1954, and to be exempt from taxation under section 501(a) of such Code, for years ending on or after February 25, 1959, shall be held and considered to have been a qualified trust under such section 401(a), and to have been exempt from taxation under such section 501(a), for the period beginning on April 28, 1958, and ending on February 24, 1959, but only if it is shown to the satisfaction of the Secretary of the Treasury or his delegate that the trust has not in this period been operated in a manner which would jeopardize the interests of its beneficiaries.

(c) The Pipe and Refrigeration Fitters Local 537 Pension Fund of Boston, Massachusetts, which was created on September 1, 1955, as a result of an agreement between Local 537 of the United Association of Pipe Fitters and Refrigeration Fitters and the Heating, Piping, and Air Conditioning Contractors, Boston Association (now known as Mechanical Contractors Association of Boston), and which has been held by the Internal Revenue Service to constitute a qualified trust under section 401(a) of the Internal Revenue Code of 1954, and to be exempt from taxation under section 501(a) of such Code, for years

Regulations.

Consideration as qualified trusts.  
Iron Workers  
Mid-America Pension Fund.

26 USC 401.

26 USC 501.

Pattern Makers' Pension Trust Fund of Chicago.

Pipe and Refrigeration Fitters Local 537 Pension Fund.

ending on or after November 10, 1959, shall be held and considered to have been a qualified trust under such section 401(a), and to have been exempt from taxation under such section 501(a), for the period beginning on March 1, 1956, and ending on November 9, 1959, but only if it is shown to the satisfaction of the Secretary of the Treasury or his delegate that the trust has not in this period been operated in a manner which would jeopardize the interests of its beneficiaries.

Annuity Plan of Electrical Switchboard and Panelboard Manufacturing Industry.

(d) The Annuity Plan of the Electrical Switchboard and Panelboard Manufacturing Industry of New York City, which was created May 16, 1956, as a result of an agreement between Local Union Numbered 3, International Brotherhood of Electrical Workers, American Federation of Labor and Congress of Industrial Organizations, and the Electrical Manufacturers of New York, Incorporated, and which has been held by the Internal Revenue Service to constitute a qualified trust under section 401(a) of the Internal Revenue Code of 1954, and to be exempt from taxation under section 501(a) of such Code, shall be held and considered to have been a qualified trust under such section 401(a), and to have been exempt from taxation under such section 501(a), for the period beginning May 16, 1956, and ending May 22, 1957, but only if it is shown to the satisfaction of the Secretary of the Treasury or his delegate that the trust has not in this period been operated in a manner which would jeopardize the interests of its beneficiaries.

Painters District Council No. 19 Welfare and Pension Fund.

(e) The District Council No. 19 Welfare Fund, now known as Painters District Council No. 19 Welfare and Pension Fund, which was first created as of May 1, 1947, as a result of an agreement between Painters District Council No. 19, Brotherhood of Painters, Decorators and Paperhangers of America, of the State of New Jersey and painting contractors signatory to the union agreement, and which has been held by the Internal Revenue Service to constitute a qualified trust under section 401(a) of the Internal Revenue Code of 1954, and to be exempt from taxation under section 501(a) of such Code, shall be held and considered to have been a qualified trust under such section 401(a), and to have been exempt from taxation under such section 501(a) and under section 165(a) of the Internal Revenue Code of 1939, for the period beginning January 1, 1954, and ending August 6, 1956, but only if it is shown to the satisfaction of the Secretary of the Treasury or his delegate that the trust has not in this period been operated in a manner which would jeopardize the interests of its beneficiaries.

Local Union Numbered 377 Pension Fund.

(f) The Local Union Numbered 377 Pension Fund, which was created October 13, 1952, as a result of an agreement between Local Union Numbered 377, Brotherhood of Painters, Decorators and Paperhangers of America, of the State of New Jersey and Painting and Decorating Contractors of America, Hudson County Employers Chapter, and which has been held by the Internal Revenue Service to constitute a qualified trust under section 401(a) of the Internal Revenue Code of 1954, and to be exempt from taxation under section 501(a) of such Code, shall be held and considered to have been a qualified trust under such section 401(a), and to have been exempt from taxation under such section 501(a) and under section 165(a) of the Internal Revenue Code of 1939, for the period beginning October 13, 1952, and ending April 1, 1958, but only if it is shown to the satisfaction of the Secretary of the Treasury or his delegate that the trust has not in this period been operated in a manner which would jeopardize the interests of its beneficiaries.

26 USC 461.

SEC. 6. (a) Section 461 of the Internal Revenue Code of 1954 (relating to general rule for taxable year of deduction) is amended by adding at the end thereof the following new subsection:



## “(d) LIMITATION ON ACCELERATION OF ACCRUAL OF TAXES.—

“(1) GENERAL RULE.—In the case of a taxpayer whose taxable income is computed under an accrual method of accounting, to the extent that the time for accruing taxes is earlier than it would be but for any action of any taxing jurisdiction taken after December 31, 1960, then, under regulations prescribed by the Secretary or his delegate, such taxes shall be treated as accruing at the time they would have accrued but for such action by such taxing jurisdiction.

“(2) LIMITATION.—Under regulations prescribed by the Secretary or his delegate, paragraph (1) shall be inapplicable to any item of tax to the extent that its application would (but for this paragraph) prevent all persons (including successors in interest) from ever taking such item into account.”

(b) The amendment made by subsection (a) shall apply to taxable years ending after December 31, 1960.

Approved September 14, 1960.

## Public Law 86-782

## AN ACT

To credit periods of internment during World War II to certain Federal employees of Japanese ancestry for purposes of the Civil Service Retirement Act and the Annual and Sick Leave Act of 1951.

September 14, 1960  
[H. R. 7810]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the first section of the Act entitled “An Act to provide benefits for certain Federal employees of Japanese ancestry who lost certain rights with respect to grade, time in grade, and rate of compensation by reason of any policy or program of the Federal Government with respect to persons of Japanese ancestry during World War II”, approved July 15, 1952 (66 Stat. 634; 5 U.S.C. 1076), is amended by adding at the end of such section the following: “Each period of internment, and each period during which any such loss of opportunity for or denial of appointment, or denial of reinstatement, or separation from the service, was in effect, by reason of such policy or program, shall be held and considered to be creditable service for the purposes of the Civil Service Retirement Act and the Annual and Sick Leave Act of 1951.”

SEC. 2. Notwithstanding any other provision of law, any civil service retirement benefits resulting from the amendment made by this Act shall be paid from the civil service retirement and disability fund.

Approved September 14, 1960.

Federal employees of Japanese ancestry.  
Credit for World War II internment.

70 Stat. 743; 65 Stat. 679.  
5 USC 2251 note;  
5 USC 2061 note.

## Public Law 86-783

## AN ACT

To amend title V of the Agricultural Act of 1949, as amended, and for other purposes.

September 14, 1960  
[H. R. 12759]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 509 of the Agricultural Act of 1949, as amended, is amended by striking “June 30, 1961” and inserting “December 31, 1961.”

Approved September 14, 1960.

72 Stat. 934.  
7 USC 1461 note.