

Ante, p. 72.

labor for the calendar year 1943", approved April 29, 1943 (Public Law Numbered 45, Seventy-eighth Congress), is amended by striking out "April" and inserting in lieu thereof "July".

Approved June 9, 1943.

[CHAPTER 120]

AN ACT

June 9, 1943
[H. R. 2570]
[Public Law 68]

To provide for the current payment of the individual income tax, and for other purposes.

Current Tax Pay-
ment Act of 1943.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Current Tax Payment Act of 1943".

(b) MEANING OF TERMS USED.—Except as otherwise expressly provided, terms used in this Act shall have the same meaning as when used in the Internal Revenue Code.

53 Stat., Pt. 1.
26 U. S. C.; 26
U. S. C., Supp. II.

SEC. 2. COLLECTION OF TAX AT SOURCE ON WAGES.

53 Stat. 175.
26 U. S. C. §§ 1400-
1611; Supp. II, §§ 1400-
1610.
Ante, p. 46; *post*, p.
607.

(a) IN GENERAL.—Chapter 9 of the Internal Revenue Code (relating to employment taxes) is amended by inserting at the end thereof the following new subchapters:

"SUBCHAPTER D—COLLECTION OF INCOME TAX AT
SOURCE ON WAGES

"SEC. 1621. DEFINITIONS.

"As used in this subchapter—

"(a) WAGES.—The term 'wages' means all remuneration (other than fees paid to a public official) for services performed by an employee for his employer, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include remuneration paid—

53 Stat. 9.
26 U. S. C. § 22;
Supp. II, § 22.
Post, p. 149.
53 Stat. 1386.
26 U. S. C. § 1426 (h).

"(1) for services performed as a member of the military or naval forces of the United States, other than pensions and retired pay includible in gross income under Chapter 1, or

"(2) for agricultural labor (as defined in section 1426 (h)), or

"(3) for domestic service in a private home, local college club, or local chapter of a college fraternity or sorority, or

"(4) for casual labor not in the course of the employer's trade or business, or

"(5) for services by a citizen or resident of the United States for a foreign government or for the government of the Commonwealth of the Philippines, or

"(6) for services performed by a nonresident alien individual, other than a resident of a contiguous country who enters and leaves the United States at frequent intervals, or

"(7) for such services, performed by a nonresident alien individual who is a resident of a contiguous country and who enters and leaves the United States at frequent intervals, as may be designated by regulations prescribed by the Commissioner with the approval of the Secretary, or

"(8) for services for an employer performed by a citizen or resident of the United States while outside the United States (as defined in section 3797 (a) (9)) if the major part of the services for such employer during the calendar year is to be performed outside the United States, or

"(9). for services performed as a minister of the gospel.

53 Stat. 469.
26 U. S. C. § 3797
(a) (9).

For the purpose of paragraph (8) services performed on or in connection with an American vessel (as defined in section 1426 (g)) under a contract of service which is entered into within the United States or during the performance of which the vessel touches at a port in the United States, or on or in connection with any vessel as an employee of the United States employed through the War Shipping Administration, shall not constitute services performed outside the United States.

“(b) **PAYROLL PERIOD.**—The term ‘payroll period’ means a period for which a payment of wages is ordinarily made to the employee by his employer, and the term ‘miscellaneous payroll period’ means a payroll period other than a daily, weekly, biweekly, semimonthly, monthly, quarterly, semiannual, or annual payroll period.

“(c) **EMPLOYEE.**—The term ‘employee’ includes an officer, employee, or elected official of the United States, a State, Territory, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing. The term ‘employee’ also includes an officer of a corporation.

“(d) **EMPLOYER.**—The term ‘employer’ means the person for whom an individual performs or performed any service, of whatever nature, as the employee of such person, except that—

“(1) if the person for whom the individual performs or performed the services does not have control of the payment of the wages for such services, the term ‘employer’ (except for the purposes of subsection (a)) means the person having control of the payment of such wages; and

“(2) in the case of a person paying wages on behalf of a non-resident alien individual, foreign partnership, or foreign corporation, not engaged in trade or business within the United States, the term ‘employer’ (except for the purposes of subsection (a)) means such person.

“(e) **SINGLE PERSON.**—The term ‘single person’ means a person with respect to whom a withholding exemption certificate is in effect under section 1622 (h) stating that such person is single, or is married and not living with husband or wife, and is not the head of a family.

Post, p. 135.

“(f) **MARRIED PERSON.**—The term ‘married person’ means a person with respect to whom a withholding exemption certificate is in effect under section 1622 (h) stating that he is married and living with husband or wife.

Post, p. 135.

“(g) **MARRIED PERSON CLAIMING ALL OF PERSONAL EXEMPTION FOR WITHHOLDING.**—The term ‘married person claiming all of personal exemption for withholding’ means a married person with respect to whom a withholding exemption certificate is in effect under section 1622 (h) stating that for the purposes of this subchapter such person claims all of the personal exemption and that for the purposes of this subchapter his spouse is claiming none of the personal exemption.

Post, p. 135.

“(h) **MARRIED PERSON CLAIMING HALF OF PERSONAL EXEMPTION FOR WITHHOLDING.**—The term ‘married person claiming half of the personal exemption for withholding’ means a married person with respect to whom a withholding exemption certificate is in effect under section 1622 (h) stating that for the purposes of this subchapter such person claims half of the personal exemption and that for the purposes of this subchapter his spouse is claiming not more than half of such exemption.

Post, p. 135.

“(i) **MARRIED PERSON CLAIMING NONE OF PERSONAL EXEMPTION FOR WITHHOLDING.**—The term ‘married person claiming none of the personal exemption for withholding’ means a married person with respect to whom a withholding exemption certificate is in effect under section

Post, p. 135.

1622 (h) making no claim with respect to the personal exemption for the purposes of this subchapter.

Post, p. 135.

"(j) **HEAD OF FAMILY.**—The term 'head of a family' means a person with respect to whom a withholding exemption certificate is in effect under section 1622 (h) stating that he is the head of a family.

Post, p. 135.

"(k) **DEPENDENT.**—The term 'dependent' means a person included in a withholding exemption certificate in effect under section 1622 (h) as a person dependent upon and receiving his chief support from the employee and either under eighteen years of age or incapable of self-support because mentally or physically defective.

"SEC. 1622. INCOME TAX COLLECTED AT SOURCE.

"(a) **REQUIREMENT OF WITHHOLDING.**—Every employer making payment of wages shall deduct and withhold upon such wages a tax equal to the greater of the following:

"(1) 20 per centum of the excess of each payment of such wages over the family status withholding exemption allowable under subsection (b) (1) (A), or

"(2) 3 per centum of the excess of each payment of such wages over the Victory tax withholding exemption allowable under subsection (b) (1) (B).

"(b) **WITHHOLDING EXEMPTION.**—

"(1) In computing the tax required to be deducted and withheld under subsection (a), there shall be allowed as a withholding exemption with respect to the wages paid for each payroll period—

"(A) in computing the tax required to be deducted and withheld under subsection (a) (1), a family status withholding exemption determined in accordance with the following schedule:

"Family Status Withholding Exemption

"Payroll period	Single person	Married person claiming whole of personal exemption for withholding or head of family	Married person claiming half of personal exemption for withholding	Married person claiming none of personal exemption for withholding	Each dependent, other than the first dependent in the case of the head of a family
Weekly	\$12	\$24	\$12	0	\$6
Biweekly	\$24	\$48	\$24	0	\$12
Semimonthly	\$26	\$52	\$26	0	\$13
Monthly	\$52	\$104	\$52	0	\$26
Quarterly	\$156	\$312	\$156	0	\$78
Semiannual	\$312	\$624	\$312	0	\$156
Annual	\$624	\$1, 248	\$624	0	\$312
Daily or miscellaneous (per day of such period)	\$1. 70	\$3. 40	\$1. 70	0	\$. 85

“(B) in computing the tax required to be deducted and withheld under subsection (a) (2), a Victory tax withholding exemption determined in accordance with the following schedule:

“Payroll Period	Victory Tax Withholding Exemption
Weekly -----	\$12. 00
Biweekly -----	24. 00
Semi-monthly -----	26. 00
Monthly -----	52. 00
Quarterly -----	156. 00
Semiannual -----	312. 00
Annual -----	624. 00
Daily or Miscellaneous (per day of such period) -----	1. 70

“(2) If wages are paid with respect to a period which is not a payroll period, the withholding exemption allowable with respect to each payment of such wages shall be the exemption allowed for a miscellaneous payroll period containing a number of days (including Sundays and holidays) equal to the number of days in the period with respect to which such wages are paid.

“(3) In any case in which wages are paid by an employer without regard to any payroll period or other period, the withholding exemption allowable with respect to each payment of such wages shall be the exemption allowed for a miscellaneous payroll period containing a number of days equal to the number of days (including Sundays and holidays) which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

“(4) In any case in which the period, or the time described in paragraph (3), in respect of any wages is less than one week, the Commissioner, under regulations prescribed by him with the approval of the Secretary, may authorize an employer, in computing the tax required to be deducted and withheld, to use the excess of the aggregate of the wages paid to the employee during the calendar week over the withholding exemption allowed by this subsection for a weekly payroll period.

“(5) In determining the amount to be deducted and withheld under this subsection, the wages may, at the election of the employer, be computed to the nearest dollar.

“(c) WAGE BRACKET WITHHOLDING.—

“(1) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be deducted and withheld under subsection (a).

If the payroll period with respect to an employee is weekly															
And the wages are		And, (1) such person is a married person claiming none of personal exemption for withholding and has—													
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents				
At least	But less than			Or, (2) such person is a married person claiming half of personal exemption for withholding and has—											
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents				
				Or, (3) such person is a single person and has—											
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents				
				Or, (4) such person is a married person claiming all of personal exemption for withholding and has—											
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents						
				Or, (5) such person is head of a family and has—											
				No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents						
				The amount of tax to be withheld shall be—											
				\$0	\$10	\$1.00									
10	15	2.50	\$1.30	\$0.10											
15	20	3.50	2.30	1.10	\$0.20										
20	25	4.50	3.30	2.10	.90	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20				
25	30	5.50	4.30	3.10	1.90	.30	.30	.30	.30	.30	.30				
30	40	7.00	5.80	4.60	3.40	.70	.50	.50	.50	.50	.50				
40	50	9.00	7.80	6.60	5.40	2.20	1.00	.70	.70	.70	.70				
50	60	11.00	9.80	8.60	7.40	4.20	3.00	1.80	1.00	1.00	1.00				
60	70	13.00	11.80	10.60	9.40	6.20	5.00	3.80	2.60	1.40	1.30				
70	80	15.00	13.80	12.60	11.40	8.20	7.00	5.80	4.60	3.40	2.20				
80	90	17.00	15.80	14.60	13.40	10.20	9.00	7.80	6.60	5.40	4.20				
90	100	19.00	17.80	16.60	15.40	12.20	11.00	9.80	8.60	7.40	6.20				
100	110	21.00	19.80	18.60	17.40	14.20	13.00	11.80	10.60	9.40	8.20				
110	120	23.00	21.80	20.60	19.40	16.20	15.00	13.80	12.60	11.40	10.20				
120	130	25.00	23.80	22.60	21.40	18.20	17.00	15.80	14.60	13.40	12.20				
130	140	27.00	25.80	24.60	23.40	20.20	19.00	17.80	16.60	15.40	14.20				
140	150	29.00	27.80	26.60	25.40	22.20	21.00	19.80	18.60	17.40	16.20				
150	160	31.00	29.80	28.60	27.40	24.20	23.00	21.80	20.60	19.40	18.20				
160	170	33.00	31.80	30.60	29.40	26.20	25.00	23.80	22.60	21.40	20.20				
170	180	35.00	33.80	32.60	31.40	28.20	27.00	25.80	24.60	23.40	22.20				
180	190	37.00	35.80	34.60	33.40	30.20	29.00	27.80	26.60	25.40	24.20				
190	200	39.00	37.80	36.60	35.40	32.20	31.00	29.80	28.60	27.40	26.20				
\$200 or over		20% of the excess over \$200 plus													
		\$40.00	\$38.80	\$37.60	\$36.40	\$35.20	\$34.00	\$32.80	\$31.60	\$30.40	\$29.20				

If the number of dependents is in excess of the largest number of dependents shown, the amount of tax to be withheld shall be that applicable in the case of the largest number of dependents shown reduced by \$1.20 for each dependent over the largest number shown, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages fall (or if the wages paid are \$200 or over, of the excess of the wages) over \$12, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

If the payroll period with respect to an employee is biweekly

And the wages are		And, (1) such person is a married person claiming none of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents		
At least	But less than	Or, (2) such person is a married person claiming half of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents				
		Or, (3) such person is a single person and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents				
		Or, (4) such person is a married person claiming all of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents				
		Or, (5) such person is head of a family and has—											
		No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents						
		The amount of tax to be withheld shall be—											
		\$0	\$20	\$2.00									
20	30	5.00	\$2.60	\$0.20									
30	40	7.00	4.60	2.20	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30		
40	50	9.00	6.60	4.20	1.80	.60	.60	.60	.60	.60	.60		
50	60	11.00	8.60	6.20	3.80	1.40	.90	.90	.90	.90	.90		
60	80	14.00	11.60	9.20	6.80	4.40	2.00	1.40	1.40	1.40	1.40		
80	100	18.00	15.60	13.20	10.80	8.40	6.00	3.60	2.00	2.00	2.00		
100	120	22.00	19.60	17.20	14.80	12.40	10.00	7.60	5.20	2.80	2.60		
120	140	26.00	23.60	21.20	18.80	16.40	14.00	11.60	9.20	6.80	4.40		
140	160	30.00	27.60	25.20	22.80	20.40	18.00	15.60	13.20	10.80	8.40		
160	180	34.00	31.60	29.20	26.80	24.40	22.00	19.60	17.20	14.80	12.40		
180	200	38.00	35.60	33.20	30.80	28.40	26.00	23.60	21.20	18.80	16.40		
200	220	42.00	39.60	37.20	34.80	32.40	30.00	27.60	25.20	22.80	20.40		
220	240	46.00	43.60	41.20	38.80	36.40	34.00	31.60	29.20	26.80	24.40		
240	260	50.00	47.60	45.20	42.80	40.40	38.00	35.60	33.20	30.80	28.40		
260	280	54.00	51.60	49.20	46.80	44.40	42.00	39.60	37.20	34.80	32.40		
280	300	58.00	55.60	53.20	50.80	48.40	46.00	43.60	41.20	38.80	36.40		
300	320	62.00	59.60	57.20	54.80	52.40	50.00	47.60	45.20	42.80	40.40		
320	340	66.00	63.60	61.20	58.80	56.40	54.00	51.60	49.20	46.80	44.40		
340	360	70.00	67.60	65.20	62.80	60.40	58.00	55.60	53.20	50.80	48.40		
360	380	74.00	71.60	69.20	66.80	64.40	62.00	59.60	57.20	54.80	52.40		
380	400	78.00	75.60	73.20	70.80	68.40	66.00	63.60	61.20	58.80	56.40		
\$400 or over-----		20% of the excess over \$400 plus											
		\$80.00	\$77.60	\$75.20	\$72.80	\$70.40	\$68.00	\$65.60	\$63.20	\$60.80	\$58.40		

If the number of dependents is in excess of the largest number of dependents shown, the amount of tax to be withheld shall be that applicable in the case of the largest number of dependents shown reduced by \$2.40 for each dependent over the largest number shown, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages fall (or if the wages paid are \$400 or over, of the excess of the wages) over \$24, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

If the payroll period with respect to an employee is semimonthly

And the wages are		And, (1) such person is a married person claiming none of personal exemption for withholding and has—													
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents				
At least	But less than			Or, (2) such person is a married person claiming half of personal exemption for withholding and has—											
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents				
				Or, (3) such person is a single person and has—											
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents				
				Or, (4) such person is a married person claiming all of personal exemption for withholding and has—											
				No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents						
				Or, (5) such person is head of a family and has—											
				No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents						
				The amount of tax to be withheld shall be—											
				\$0	\$20	\$2.00									
20	30	5.00	\$2.40												
30	40	7.00	4.40	\$1.80	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30				
40	50	9.00	6.40	3.80	1.20	.60	.60	.60	.60	.60	.60				
50	60	11.00	8.40	5.80	3.20	.90	.90	.90	.90	.90	.90				
60	80	14.00	11.40	8.80	6.20	3.60	1.30	1.30	1.30	1.30	1.30				
80	100	18.00	15.40	12.80	10.20	7.60	5.00	2.40	1.90	1.90	1.90				
100	120	22.00	19.40	16.80	14.20	11.60	9.00	6.40	3.80	2.50	2.50				
120	140	26.00	23.40	20.80	18.20	15.60	13.00	10.40	7.80	5.20	3.10				
140	160	30.00	27.40	24.80	22.20	19.60	17.00	14.40	11.80	9.20	6.60				
160	180	34.00	31.40	28.80	26.20	23.60	21.00	18.40	15.80	13.20	10.60				
180	200	38.00	35.40	32.80	30.20	27.60	25.00	22.40	19.80	17.20	14.60				
200	220	42.00	39.40	36.80	34.20	31.60	29.00	26.40	23.80	21.20	18.60				
220	240	46.00	43.40	40.80	38.20	35.60	33.00	30.40	27.80	25.20	22.60				
240	260	50.00	47.40	44.80	42.20	39.60	37.00	34.40	31.80	29.20	26.60				
260	280	54.00	51.40	48.80	46.20	43.60	41.00	38.40	35.80	33.20	30.60				
280	300	58.00	55.40	52.80	50.20	47.60	45.00	42.40	39.80	37.20	34.60				
300	320	62.00	59.40	56.80	54.20	51.60	49.00	46.40	43.80	41.20	38.60				
320	340	66.00	63.40	60.80	58.20	55.60	53.00	50.40	47.80	45.20	42.60				
340	360	70.00	67.40	64.80	62.20	59.60	57.00	54.40	51.80	49.20	46.60				
360	380	74.00	71.40	68.80	66.20	63.60	61.00	58.40	55.80	53.20	50.60				
380	400	78.00	75.40	72.80	70.20	67.60	65.00	62.40	59.80	57.20	54.60				
\$400 or over		20% of the excess over \$400 plus													
		\$30.00	\$77.40	\$74.80	\$72.20	\$69.60	\$67.00	\$64.40	\$61.80	\$59.20	\$56.60				

If the number of dependents is in excess of the largest number of dependents shown, the amount of tax to be withheld shall be that applicable in the case of the largest number of dependents shown reduced by \$2.60 for each dependent over the largest number shown, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages fall (or if the wages paid are \$400 or over, of the excess of the wages) over \$26, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

If the payroll period with respect to an employee is monthly

And the wages are		And, (1) such person is a married person claiming none of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents		
At least	But less than	Or, (2) such person is a married person claiming half of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents				
		Or, (3) such person is a single person and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents				
		Or, (4) such person is a married person claiming all of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents					
		Or, (5) such person is head of a family and has—											
		No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents						
		The amount of the tax to be withheld shall be—											
		\$0	\$40	\$4.00									
40	50	9.00	\$3.80										
50	60	11.00	5.80	\$0.60	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10		
60	70	13.00	7.80	2.60	.40	.40	.40	.40	.40	.40	.40		
70	80	15.00	9.80	4.60	.70	.70	.70	.70	.70	.70	.70		
80	100	18.00	12.80	7.60	2.40	1.10	1.10	1.10	1.10	1.10	1.10		
100	120	22.00	16.80	11.60	6.40	1.70	1.70	1.70	1.70	1.70	1.70		
120	140	26.00	20.80	15.60	10.40	5.20	2.30	2.30	2.30	2.30	2.30		
140	160	30.00	24.80	19.60	14.40	9.20	4.00	2.90	2.90	2.90	2.90		
160	200	36.00	30.80	25.60	20.40	15.20	10.00	4.80	3.80	3.80	3.80		
200	240	44.00	38.80	33.60	28.40	23.20	18.00	12.80	7.60	5.00	5.00		
240	280	52.00	46.80	41.60	36.40	31.20	26.00	20.80	15.60	10.40	6.20		
280	320	60.00	54.80	49.60	44.40	39.20	34.00	28.80	23.60	18.40	13.20		
320	360	68.00	62.80	57.60	52.40	47.20	42.00	36.80	31.60	26.40	21.20		
360	400	76.00	70.80	65.60	60.40	55.20	50.00	44.80	39.60	34.40	29.20		
400	440	84.00	78.80	73.60	68.40	63.20	58.00	52.80	47.60	42.40	37.20		
440	480	92.00	86.80	81.60	76.40	71.20	66.00	60.80	55.60	50.40	45.20		
480	520	100.00	94.80	89.60	84.40	79.20	74.00	68.80	63.60	58.40	53.20		
520	560	108.00	102.80	97.60	92.40	87.20	82.00	76.80	71.60	66.40	61.20		
560	600	116.00	110.80	105.60	100.40	95.20	90.00	84.80	79.60	74.40	69.20		
600	640	124.00	118.80	113.60	108.40	103.20	98.00	92.80	87.60	82.40	77.20		
640	680	132.00	126.80	121.60	116.40	111.20	106.00	100.80	95.60	90.40	85.20		
680	720	140.00	134.80	129.60	124.40	119.20	114.00	108.80	103.60	98.40	93.20		
720	760	148.00	142.80	137.60	132.40	127.20	122.00	116.80	111.60	106.40	101.20		
760	800	156.00	150.80	145.60	140.40	135.20	130.00	124.80	119.60	114.40	109.20		
\$800 or over.....		20% of the excess over \$800 plus											
		\$160.00	\$154.80	\$149.60	\$144.40	\$139.20	\$134.00	\$128.80	\$123.60	\$118.40	\$113.20		

If the number of dependents is in excess of the largest number of dependents shown, the amount of tax to be withheld shall be that applicable in the case of the largest number of dependents shown reduced by \$5.20 for each dependent over the largest number shown, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$800 or over, of the excess of the wages) over \$52, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

If the payroll period with respect to an employee is a daily payroll period or a miscellaneous payroll period

And the wages divided by the number of days in such period are—		And, (1) such person is a married person claiming none of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents	Eight dependents	Nine dependents		
At least	But less than	Or, (2) such person is a married person claiming half of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents				
		Or, (3) such person is a single person and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents	Seven dependents				
		Or, (4) such person is a married person claiming all of personal exemption for withholding and has—											
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents					
		Or, (5) such person is head of a family and has—											
		No dependents or one dependent	Two dependents	Three dependents	Four dependents	Five dependents	Six dependents						
		The amount of tax to be withheld shall be the following amount multiplied by the number of days in such period											
		\$0	\$1	\$0.10	\$0.15								
1	2	.30	.35										
2	3	.50	.55	\$0.15									
3	4	.70	.75	.35	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05		
4	5	.90	.75	.55	.40	.20	.10	.10	.10	.10	.10		
5	6	1.10	.95	.75	.60	.40	.25	.10	.10	.10	.10		
6	7	1.30	1.15	.95	.80	.60	.45	.30	.15	.15	.15		
7	8	1.50	1.35	1.15	1.00	.80	.65	.50	.30	.15	.15		
8	9	1.70	1.55	1.35	1.20	1.00	.85	.70	.50	.35	.20		
9	10	1.90	1.75	1.55	1.40	1.20	1.05	.90	.70	.55	.35		
10	12	2.20	2.05	1.85	1.70	1.50	1.35	1.20	1.00	.85	.65		
12	14	2.60	2.45	2.25	2.10	1.90	1.75	1.60	1.40	1.25	1.05		
14	16	3.00	2.85	2.65	2.50	2.30	2.15	2.00	1.80	1.65	1.45		
16	18	3.40	3.25	3.05	2.90	2.70	2.55	2.40	2.20	2.05	1.85		
18	20	3.80	3.65	3.45	3.30	3.10	2.95	2.80	2.60	2.45	2.25		
20	22	4.20	4.05	3.85	3.70	3.50	3.35	3.20	3.00	2.85	2.65		
22	24	4.60	4.45	4.25	4.10	3.90	3.75	3.60	3.40	3.25	3.05		
24	26	5.00	4.85	4.65	4.50	4.30	4.15	4.00	3.80	3.65	3.45		
26	28	5.40	5.25	5.05	4.90	4.70	4.55	4.40	4.20	4.05	3.85		
28	30	5.80	5.65	5.45	5.30	5.10	4.95	4.80	4.60	4.45	4.25		
\$30 or over		20% of the excess over \$30 plus											
		\$6.00	\$5.85	\$5.65	\$5.50	\$5.30	\$5.15	\$5.00	\$4.80	\$4.65	\$4.45		

If the number of dependents is in excess of the largest number of dependents shown, the amount of tax to be withheld shall be that applicable in the case of the largest number of dependents shown reduced by \$0.15 for each dependent over the largest number shown, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the product of the median wage in the bracket in which the wages fall and the number of days in the period (or if the wages paid are \$30 or over, of the excess of the wages) over the product of \$1.70 and the number of days in the period, computed, in case such amount is not a multiple of \$0.05, to the nearest multiple of \$0.05.

“(2) If wages are paid with respect to a period which is not a payroll period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days (including Sundays and holidays)

equal to the number of days in the period with respect to which such wages are paid.

"(3) In any case in which wages are paid by an employer without regard to any payroll period or other period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days equal to the number of days (including Sundays and holidays) which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

"(4) In any case in which the period, or the time described in paragraph (3), in respect of any wages is less than one week, the Commissioner, under regulations prescribed by him with the approval of the Secretary, may authorize an employer to determine the amount to be deducted and withheld under the tables applicable in the case of a weekly payroll period, in which case the aggregate of the wages paid to the employee during the calendar week shall be considered the weekly wages.

"(5) If the wages exceed the highest wage bracket, in determining the amount to be deducted and withheld under this subsection, the wages may, at the election of the employer, be computed to the nearest dollar.

"(d) **TAX PAID BY RECIPIENT.**—If the employer, in violation of the provisions of this subchapter, fails to deduct and withhold the tax under this subchapter, and thereafter the tax against which such tax may be credited is paid, the tax so required to be deducted and withheld shall not be collected from the employer; but this subsection shall in no case relieve the employer from liability for any penalties or additions to the tax otherwise applicable in respect of such failure to deduct and withhold.

"(e) **NONDEDUCTIBILITY OF TAX IN COMPUTING NET INCOME.**—The tax deducted and withheld under this subchapter shall not be allowed as a deduction either to the employer or to the recipient of the income in computing net income for the purpose of any tax on income imposed by Act of Congress.

"(f) **REFUNDS OR CREDITS.**—

"(1) **EMPLOYERS.**—Where there has been an overpayment of tax under this subchapter, refund or credit shall be made to the employer only to the extent that the amount of such overpayment was not deducted and withheld under this subchapter by the employer.

"(2) **EMPLOYEES.**—For refund or credit in cases of excessive withholding, see section 322 (a).

"(g) **INCLUDED AND EXCLUDED WAGES.**—If the remuneration paid by an employer to an employee for services performed during one-half or more of any payroll period of not more than thirty-one consecutive days constitutes wages, all the remuneration paid by such employer to such employee for such period shall be deemed to be wages; but if the remuneration paid by an employer to an employee for services performed during more than one-half of any such payroll period does not constitute wages, then none of the remuneration paid by such employer to such employee for such period shall be deemed to be wages.

"(h) **WITHHOLDING EXEMPTION CERTIFICATES.**—Every employee receiving wages shall furnish his employer a signed withholding exemption certificate relating to his status for the purpose of computing the withholding exemption, or if the employer exercises his elec-

53 Stat. 91.
26 U. S. C., Supp.
II, § 322 (a).
Post, p. 140.

Ante, p. 129.

tion under section 1622 (c) (relating to wage bracket withholding), for the purpose of computing the amount to be deducted and withheld under such subsection. In case of a change of status, a new certificate shall be furnished not later than ten days after such change occurs. The certificate shall be in such form and contain such information as the Commissioner may, with the approval of the Secretary, by regulations prescribe. Such certificate—

“(1) If furnished after the date of commencement of employment with the employer by reason of a change of status, shall take effect with respect to the first payment of wages made on or after the first status determination date which occurs at least thirty days from the date on which such certificate is furnished to the employer, except that at the election of the employer such certificate may be made effective with respect to any previous payment of wages made on or after the date of the furnishing of such certificate. For the purposes of this paragraph the term ‘status determination date’ means January 1 and July 1 of each year.

“(2) If furnished otherwise than by reason of a change of status, shall take effect as of the beginning of the first payroll period ending, or the first payment of wages made without regard to a payroll period, on or after the date on which such certificate is furnished to the employer.

A certificate which takes effect under this subsection shall continue in effect with respect to the employer until another such certificate furnished by the employee takes effect under this subsection. If no certificate is in effect under this subsection with respect to an employee, such employee shall be treated, for the purposes of the withholding exemption, or in case the employer exercises his election under section 1622 (c) (relating to wage bracket withholding), for the purpose of computing the amount to be deducted and withheld under such subsection, as a married person claiming none of the personal exemption for withholding and having no dependents.

Ante, p. 129.

“(i) **OVERLAPPING PAY PERIODS, AND SO FORTH.**—If a payment of wages is made to an employee by an employer—

“(1) with respect to a payroll period or other period, any part of which is included in a payroll period or other period with respect to which wages are also paid to such employee by such employer, or

“(2) without regard to any payroll period or other period, but on or prior to the expiration of a payroll period or other period with respect to which wages are also paid to such employee by such employer, or

“(3) with respect to a period beginning in one and ending in another calendar year, or

“(4) through an agent, fiduciary, or other person who also has the control, receipt, custody, or disposal of, or pays, the wages payable by another employer to such employee,

the manner of withholding and the amount to be deducted and withheld under this subchapter shall be determined in accordance with regulations prescribed by the Commissioner with the approval of the Secretary under which the withholding exemption allowed to the employee in any calendar year shall approximate the withholding exemption allowable with respect to an annual payroll period.

“(j) **WITHHOLDING ON BASIS OF AVERAGE WAGES.**—The Commissioner may, under regulations prescribed by him with the approval of the Secretary, authorize employers (1) to estimate the wages which

will be paid to any employee in any quarter of the calendar year, (2) to determine the amount to be deducted and withheld upon each payment of wages to such employee during such quarter as if the appropriate average of the wages so estimated constituted the actual wages paid, and (3) to deduct and withhold upon any payment of wages to such employee during such quarter such amount as may be necessary to adjust the amount actually deducted and withheld upon the wages of such employee during such quarter to the amount required to be deducted and withheld during such quarter without regard to this subsection.

"SEC. 1623. LIABILITY FOR TAX.

"The employer shall be liable for the payment of the tax required to be deducted and withheld under this subchapter, and shall not be liable to any person for the amount of any such payment.

"SEC. 1624. RETURN AND PAYMENT BY GOVERNMENTAL EMPLOYER.

"If the employer is the United States, or a State, Territory, or political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing, the return of the amount deducted and withheld upon any wages may be made by any officer or employee of the United States, or of such State, Territory, or political subdivision, or of the District of Columbia, or of such agency or instrumentality, as the case may be, having control of the payment of such wages, or appropriately designated for that purpose.

"SEC. 1625. RECEIPTS.

"(a) **REQUIREMENT.**—Every employer required to deduct and withhold a tax in respect of the wages of an employee shall furnish to each such employee in respect of his employment during the calendar year, on or before January 31 of the succeeding year, or, if his employment is terminated before the close of such calendar year, on the day on which the last payment of wages is made, a written statement showing the wages paid by the employer to such employee during such calendar year, and the amount of the tax deducted and withheld under this subchapter in respect of such wages.

"(b) **STATEMENTS TO CONSTITUTE INFORMATION RETURNS.**—The statements required to be furnished by this section in respect of any wages shall be furnished at such other times, shall contain such other information, and shall be in such form as the Commissioner, with the approval of the Secretary, may by regulations prescribe. A duplicate of such statement if made and filed in accordance with regulations prescribed by the Commissioner with the approval of the Secretary shall constitute the return required to be made in respect of such wages under section 147.

"(c) **EXTENSION OF TIME.**—The Commissioner, under such regulations as he may prescribe with the approval of the Secretary, may grant to any employer a reasonable extension of time (not in excess of thirty days) with respect to the statements required to be furnished under this section.

"SEC. 1626. PENALTIES.

"(a) **PENALTIES FOR FRAUDULENT RECEIPT OR FAILURE TO FURNISH RECEIPT.**—In lieu of any other penalty provided by law (except the penalty provided by subsection (b) of this section), any person required under the provisions of section 1625 to furnish a receipt in

53 Stat. 64.
26 U. S. C. § 147;
Supp. II, § 147.

Supra.

Ante, p. 137.

respect of tax withheld pursuant to this subchapter who willfully furnishes a false or fraudulent receipt, or who willfully fails to furnish a receipt in the manner, at the time, and showing the information required under section 1625, or regulations prescribed thereunder, shall for each such failure, upon conviction thereof be fined not more than \$1,000, or imprisoned for not more than one year, or both.

Ante, p. 137.

“(b) **ADDITIONAL PENALTY.**—In addition to the penalty provided by subsection (a) of this section, any person required under the provisions of section 1625 to furnish a receipt in respect of tax withheld pursuant to this subchapter who willfully furnishes a false or fraudulent receipt, or who willfully fails to furnish a receipt in the manner, at the time, and showing the information required under section 1625, or regulations prescribed thereunder, shall for each such failure be subject to a civil penalty of not more than \$50.

“(c) **FAILURE OF EMPLOYER TO FILE RETURN OR PAY TAX.**—In case of any failure to make and file return or pay the tax required by this subchapter, within the time prescribed by law or prescribed by the Commissioner in pursuance of law, unless it is shown that such failure is due to reasonable cause and not due to willful neglect, the addition to the tax shall not be less than \$10.

Ante, p. 135.

“(d) **PENALTIES IN RESPECT OF WITHHOLDING EXEMPTION CERTIFICATES.**—Any individual required to supply information to his employer under section 1622 (h) who willfully supplies false or fraudulent information, or who willfully fails to supply information thereunder which would require an increase in the tax to be withheld under section 1622, shall, in lieu of any penalty otherwise provided, upon conviction thereof, be fined not more than \$500, or imprisoned for not more than one year, or both.

Ante, p. 128.

“SEC. 1627. OTHER LAWS APPLICABLE.

“All provisions of law, including penalties, applicable with respect to the tax imposed by section 1400 shall, insofar as applicable and not inconsistent with the provisions of this subchapter, be applicable with respect to the tax under this subchapter.

53 Stat. 175.
26 U. S. C. § 1400;
Supp. II, § 1400.
Post, p. 607.

“SUBCHAPTER E—GENERAL PROVISIONS

“SEC. 1630. VERIFICATION OF RETURNS, ETC.

“(a) **POWER OF COMMISSIONER TO REQUIRE.**—The Commissioner, under regulations prescribed by him with the approval of the Secretary, may require that any return, statement, or other document required to be filed under this chapter shall contain or be verified by a written declaration that it is made under the penalties of perjury, and such declaration shall be in lieu of any oath otherwise required.

“(b) **PENALTIES.**—Every person who willfully makes and subscribes any return, statement, or other document, which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he does not believe to be true and correct as to every material matter, shall be guilty of a felony, and, upon conviction thereof, shall be subject to the penalties prescribed for perjury in section 125 of the Criminal Code.

35 Stat. 1111.
18 U. S. C. § 231.

Post, p. 544.

“SEC. 1631. USE OF GOVERNMENT DEPOSITARIES IN CONNECTION WITH PAYMENT OF TAXES.

“The Secretary may authorize incorporated banks or trust companies which are depositaries or financial agents of the United States to receive any taxes under this chapter in such manner, at such times,

and under such conditions as he may prescribe; and he shall prescribe the manner, times, and conditions under which the receipt of such taxes by such depositaries and financial agents is to be treated as payment of such taxes to the collectors.

"SEC. 1632. ACTS TO BE PERFORMED BY AGENTS.

"In case a fiduciary, agent or other person has the control, receipt, custody, or disposal of, or pays the wages of an employee or group of employees, employed by one or more employers, the Commissioner, under regulations prescribed by him with the approval of the Secretary, is authorized to designate such fiduciary, agent or other person to perform such acts as are required of employers under this chapter and as the Commissioner may specify. Except as may be otherwise prescribed by the Commissioner with the approval of the Secretary, all provisions of law (including penalties) applicable in respect of an employer shall be applicable to a fiduciary, agent or other person so designated but, except as so provided, the employer for whom such fiduciary, agent or other person acts shall remain subject to the provisions of law (including penalties) applicable in respect of employers."

(b) TECHNICAL AMENDMENTS.—

(1) **AMENDMENT TO SECTION 34.**—Section 34 of the Internal Revenue Code (cross reference) is amended by striking out "453, 454, and 466 (e)" and inserting in lieu thereof "453 and 454".

56 Stat. 893.
26 U. S. C., Supp.
II, § 34.
Post, p. 584.

(2) **AMENDMENT TO SECTION 322.**—Section 322 (f) of the Internal Revenue Code (cross reference) is amended to read as follows:

56 Stat. 893.
26 U. S. C., Supp.
II, § 322 (f).

"(f) TAX WITHHELD AT SOURCE.—For refund or credit in case of withholding agent, see section 143 (f). For refund or credit in case of employer required to deduct and withhold tax on wages, see section 1622 (f)."

53 Stat. 62.
26 U. S. C. § 143 (f).
Ante, p. 135.

(c) EXPIRATION DATE FOR WITHHOLDING AT SOURCE ON WAGES UNDER SUBCHAPTER D OF CHAPTER 1.—Section 476 of the Internal Revenue Code (prescribing the expiration date for the taxes imposed by Subchapter D) is amended to read as follows:

56 Stat. 892.
26 U. S. C., Supp.
II, § 476.

"SEC. 476. EXPIRATION DATE.

"The tax imposed by Part I of this subchapter shall not apply with respect to any taxable year commencing after the date of cessation of hostilities in the present war. The tax imposed by Part II of such subchapter shall not apply with respect to any wages paid after June 30, 1943, unless paid during the calendar year 1943 with respect to a payroll period beginning on or before such date."

56 Stat. 884.
26 U. S. C., Supp.
II, §§ 450-456.
Post, p. 584.
56 Stat. 887.
26 U. S. C., Supp.
II, §§ 465-470.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect July 1, 1943, and shall be applicable to all wages paid on or after such date, except that such amendments shall not be applicable to wages paid during the calendar year 1943 with respect to a payroll period beginning before such date.

Ante, p. 126.
Supra.

SEC. 3. CREDIT FOR TAX WITHHELD AT SOURCE.

Section 35 of the Internal Revenue Code (relating to the credit for tax withheld on wages) is amended to read as follows:

56 Stat. 893.
26 U. S. C., Supp.
II, § 35.

"SEC. 35. CREDIT FOR TAX WITHHELD ON WAGES.

"The amount deducted and withheld as tax under Subchapter D of Chapter 9 during any calendar year upon the wages of any individual shall be allowed as a credit to the recipient of the income against the

Ante, p. 126.

tax imposed by this chapter for the taxable year beginning in such calendar year. If more than one taxable year begins in any such calendar year such amount shall be allowed as a credit against the tax for the last taxable year so beginning."

SEC. 4. REFUNDS.

56 Stat. 893.
26 U. S. C., Supp.
II, § 322 (a) (2).

(a) **EXCESSIVE WITHHOLDING, ETC.**—Section 322 (a) (2) of the Internal Revenue Code (relating to excessive withholding) is amended to read as follows:

56 Stat. 887.
26 U. S. C., Supp.
II, §§ 465-470.
Ante, p. 126.

"(2) **EXCESSIVE WITHHOLDING.**—Where the amount of the tax withheld at the source under Part II of Subchapter D or Subchapter D of Chapter 9 exceeds the taxes imposed by this chapter against which the tax so withheld may be credited under section 35 or 466 (e), the amount of such excess shall be considered an overpayment.

Ante, p. 139.
56 Stat. 890.
26 U. S. C., Supp.
II, § 466 (e).

"(3) **CREDITS AGAINST ESTIMATED TAX.**—The Commissioner is authorized to prescribe, with the approval of the Secretary, regulations providing for the crediting against the estimated tax for any taxable year of the amount determined by the taxpayer or the Commissioner to be an overpayment of the tax for a preceding taxable year."

56 Stat. 893.
26 U. S. C., Supp.
II, § 322 (e).

(b) **PRESUMPTION AS TO DATE OF PAYMENT.**—Section 322 (e) of the Internal Revenue Code (relating to presumption as to date of payment) is amended to read as follows:

56 Stat. 887.
26 U. S. C., Supp.
II, §§ 465-470.
Ante, p. 126.

"(e) **PRESUMPTION AS TO DATE OF PAYMENT.**—For the purposes of this section, any tax actually deducted and withheld at the source during any calendar year under Part II of Subchapter D or under Subchapter D of Chapter 9 shall, in respect of the recipient of the income, be deemed to have been paid by him not earlier than the fifteenth day of the third month following the close of his taxable year with respect to which such tax is allowable as a credit under section 35 or section 466 (e). For the purposes of this section, any amount paid as estimated tax for any taxable year shall be deemed to have been paid not earlier than the fifteenth day of the third month following the close of such taxable year."

Ante, p. 139.
56 Stat. 890.
26 U. S. C., Supp.
II, § 466 (e).

53 Stat. 464.
26 U. S. C. § 3770
(a).

(c) **DELEGATION OF AUTHORITY TO COLLECTORS TO MAKE REFUNDS.**—Section 3770 (a) of the Internal Revenue Code (relating to authority to make refunds) is amended (1) by striking out "(4)" at the beginning of paragraph (4) and inserting in lieu thereof "(5)"; and (2) by inserting after paragraph (3) the following:

53 Stat. 91, 156.
26 U. S. C. §§ 322,
1027; Supp. II, §§ 322,
1027.
Supra; *ante*, p. 139.

"(4) **DELEGATION OF AUTHORITY TO COLLECTORS TO MAKE REFUNDS.**—The Commissioner is authorized to delegate, with the approval of the Secretary, to collectors any authority, duty, or function which the Commissioner is authorized or required to exercise or perform under paragraph (1), (2), or (3) of this subsection, or under section 322 or 1027, where the amount involved (exclusive of interest, penalties, additions to the tax, and additional amounts) does not exceed \$1,000."

53 Stat. 464.
26 U. S. C. § 3770.
Supra.

(d) **OVERPAYMENTS.**—Section 3770 of the Internal Revenue Code (relating to authority to make credits and refunds) is amended by inserting at the end thereof the following:

"(c) **RULE WHERE NO TAX LIABILITY.**—An amount paid as tax shall not be considered not to constitute an overpayment solely by reason of the fact that there was no tax liability in respect of which such amount was paid."

(e) **CROSS-REFERENCE.**—The last subsection of section 3771 of the Internal Revenue Code (relating to interest on overpayments) is amended to read as follows:

56 Stat. 894.
26 U. S. C., Supp.
II, § 3771 (e) set out
second.

“(f) **ESTIMATED TAX AND TAX WITHHELD AT SOURCE.**—For date of payment in respect of estimated tax and of tax withheld at source on wages, see section 322 (e).”

Ante, p. 140.

(f) **REVIEW OF ALLOWANCE OF INTEREST.**—Section 3790 of the Internal Revenue Code (prohibiting administrative review of Commissioner's decisions) is amended by inserting at the end thereof the following: “In the absence of fraud or mistake in mathematical calculation, the allowance or nonallowance by the Commissioner, of interest on any credit or refund under the internal revenue laws shall not, except as provided in Chapter 5, be subject to review by any other administrative or accounting officer, employee, or agent of the United States.”

53 Stat. 467.
26 U. S. C. § 3790.

53 Stat. 158.
26 U. S. C. §§ 1100-
1146; Supp. II, ch. 5.

SEC. 5. CURRENT PAYMENT OF TAX NOT WITHHELD AT SOURCE.

(a) **IN GENERAL.**—The Internal Revenue Code is amended by striking out sections 58, 59, and 60 and inserting in lieu thereof the following:

53 Stat. 32.
26 U. S. C. §§ 58-60.

“SEC. 58. DECLARATION OF ESTIMATED TAX BY INDIVIDUALS.

“(a) **REQUIREMENT OF DECLARATION.**—Every individual (other than an estate or trust and other than a nonresident alien with respect to whose wages, as defined in section 1621 (a), withholding under Subchapter D of Chapter 9 is not made applicable) shall, at the time during the taxable year prescribed in subsection (d), make a declaration of his estimated tax for the taxable year if—

Ante, p. 126.

Post, p. 142.

“(1) his gross income from wages (as defined in section 1621)

Ante, p. 126.

“(A) in case such individual is single or married but not living with husband or wife: can reasonably be expected to exceed \$2,700 for the taxable year; or did exceed \$2,700 for the preceding taxable year; or

“(B) in case such individual is married and living with husband or wife: can, when added to the gross income which can reasonably be expected to be received by such husband or wife from wages (as so defined), reasonably be expected to exceed \$3,500 for the taxable year; or did when added to the gross income of such husband or wife from wages (as so defined) for the preceding taxable year, exceed \$3,500 for such preceding taxable year; or

“(2) his gross income from sources other than wages (as defined in section 1621)

Ante, p. 126.

“(A) in case such individual is single or married but not living with husband or wife: can reasonably be expected to exceed \$100 for the taxable year and his gross income to be such as will require the making of a return for the taxable year under section 51; or did exceed \$100 for the preceding taxable year and such individual either was required to make a return under section 51 or 455 for such preceding taxable year or would have been so required if he had been single during the whole of such preceding taxable year; or

53 Stat. 27.
26 U. S. C. § 51;
Supp. II, § 51.
56 Stat. 887.
26 U. S. C., Supp.
II, § 455.

“(B) in case such individual is married and living with husband or wife: can, when added to the gross income which can reasonably be expected to be received by husband or wife from such sources, reasonably be expected to exceed \$100 for

53 Stat. 27; 56 Stat.
887.
26 U. S. C. § 51;
Supp. II, §§ 51, 455.

the taxable year and the aggregate gross income of such husband and wife can reasonably be expected to be such as will require the making of a return under section 51 or 455; or did, when added to the gross income of such husband or wife from such sources for the preceding taxable year, exceed \$100 for such preceding taxable year and such individual would have been required to make a return under section 51 or 455 for such preceding taxable year if he had been married and living with husband or wife during the whole of such preceding taxable year; or

53 Stat. 27.
26 U. S. C. § 51;
Supp. II, § 51.
Ante, p. 126.

“(3) in case such taxable year is the taxable year beginning in 1943, such individual was required to make a return under section 51 for the taxable year beginning in 1942, and his gross income from wages (as defined in section 1621) for such taxable year is greater than the gross income which can reasonably be expected to be received from wages for the taxable year beginning in 1943.

“(b) CONTENTS OF DECLARATION.—In the declaration required under subsection (a) the individual shall state—

53 Stat. 24; 56 Stat.
890.
26 U. S. C. § 32;
Supp. II, § 466 (e).
Ante, p. 139.

“(1) the amount which he estimates as the amount of tax under this chapter for the taxable year, without regard to any credits under sections 32, 35, and 466 (e);

“(2) the amount which he estimates as the credits for the taxable year under sections 32, 35, and 466 (e); and

“(3) the excess of the amount estimated under paragraph (1) over the amount estimated under paragraph (2), which excess for the purposes of this chapter shall be held and considered the estimated tax for the taxable year.

The declaration shall also contain such other information for the purposes of carrying out the provisions of this chapter as the Commissioner, with the approval of the Secretary, may by regulations prescribe, and shall contain or be verified by a written statement that it is made under the penalties of perjury.

“(c) JOINT DECLARATION BY HUSBAND AND WIFE.—In the case of a husband and wife living together, a single declaration under this section may be made by them jointly, in which case the liability with respect to the estimated tax shall be joint and several. No joint declaration may be made if either the husband or wife is a nonresident alien. If a joint declaration is made but a joint return is not made for the taxable year, the estimated tax for such year may be treated as the estimated tax of either the husband or the wife, or may be divided between them.

“(d) TIME AND PLACE FOR FILING.—The declaration required under subsection (a) shall be filed on or before the fifteenth day of the third month of the taxable year, except that if the requirements of subsection (a) are first met after such date, the declaration shall be filed on or before the fifteenth day of the last month of the quarter of the taxable year in which such requirements are first met. An individual may make amendments or revisions of a declaration filed under this subsection, under regulations prescribed by the Commissioner with the approval of the Secretary. If so made, such amendments or revisions shall be filed on or before the fifteenth day of the last month of any quarter of the taxable year subsequent to that in which the declaration was filed and in which no previous amendments or revisions have been made or filed. Declarations and amendments and revisions thereof shall be filed with the Collector specified in section 53 (b) (1).

53 Stat. 28.
26 U. S. C. § 53 (b)
(1).

“(e) EXTENSION OF TIME.—The Commissioner may grant a reasonable extension of time for filing declarations and paying the estimated

tax, under such rules and regulations as he shall prescribe with the approval of the Secretary. Except in the case of taxpayers who are abroad, no such extension shall be for more than six months.

“(f) **PERSONS UNDER DISABILITY.**—If the taxpayer is unable to make his own declaration, the declaration shall be made by a duly authorized agent or by the guardian or other person charged with the care of the person or property of such taxpayer.

“(g) **SIGNATURE PRESUMED CORRECT.**—The fact that an individual's name is signed to a filed declaration shall be prima facie evidence for all purposes that the declaration was actually signed by him.

“(h) **PUBLICITY OF DECLARATION.**—For the purposes of section 55 (relating to publicity of returns), a declaration of estimated tax shall be held and considered a return under this chapter.

53 Stat. 29.
26 U. S. C. § 55;
Supp. II, § 55.

“SEC. 59. PAYMENT OF ESTIMATED TAX.

“(a) **IN GENERAL.**—The estimated tax shall be paid in four equal installments except that—

“(1) if the declaration is filed (otherwise than pursuant to an extension of time) after the fifteenth day of the third month of the taxable year, the estimated tax shall be paid in equal installments the number of which is equal to the number of quarters remaining in the taxable year (including the quarter in which the declaration is filed); and

“(2) if any amendment or revision of a declaration is filed, the remaining installments shall be ratably increased or decreased, as the case may be, to reflect the increase or decrease, as the case may be, in the estimated tax by reason of such amendment or revision; and

“(3) at the election of the individual, any installment of the estimated tax may be paid prior to the date prescribed for its payment.

One installment of the estimated tax shall be paid at the time of making the declaration, and an installment thereof shall be paid on the fifteenth day of the last month of each succeeding quarter of the taxable year. Payment of any installment of the estimated tax shall be considered payment on account of the tax for the taxable year.

“(b) **ASSESSMENT.**—The estimated tax shall be assessed only to the extent paid.

“SEC. 60. SPECIAL RULES FOR APPLICATION OF SECTIONS 58 AND 59.

Ante, p. 141; *supra*.

“(a) **FARMERS.**—In the case of an individual whose estimated gross income from farming for the taxable year is at least 80 per centum of the total estimated gross income from all sources for the taxable year, in lieu of the time prescribed in section 58 (d), the declaration for the taxable year may be made at any time on or before the fifteenth day of the last month of the taxable year.

Ante, p. 142.

“(b) **APPLICATION TO SHORT TAXABLE YEARS.**—The application of sections 58, 59, and 294 (a) (3), (4), and (5) to taxable years of less than twelve months shall be as prescribed in regulations prescribed by the Commissioner with the approval of the Secretary.

Ante, p. 141.
Supra.
Post, p. 144.

“(c) **APPLICATION TO TAXABLE YEARS BEGINNING IN 1943.**—If the taxable year is the calendar year 1943, the fifteenth day of September, 1943, shall be substituted for the fifteenth day of March for the purposes of section 58 (d). If the taxable year begins in 1943 after January 1, the date which shall be substituted for the fifteenth day

Ante, p. 142.

of the third month of the taxable year for the purposes of section 58 (d) shall be prescribed by regulations prescribed by the Commissioner with the approval of the Secretary. In either case installments of the estimated tax for such taxable year payable after September 1, 1943, shall be ratably decreased to reflect the payments on account of a taxable year beginning in 1942 which are treated as payments on account of the estimated tax for a taxable year beginning in 1943."

53 Stat. 88.
26 U. S. C. § 294 (a).

(b) **ADDITIONS TO TAX.**—Section 294 (a) of the Internal Revenue Code (relating to additions to tax in case of nonpayment) is amended by inserting at the end thereof the following:

"(3) **FAILURE TO FILE DECLARATION OF ESTIMATED TAX.**—In the case of a failure to make and file a declaration of estimated tax within the time prescribed, there shall be added to the tax an amount equal to 10 per centum of the tax.

"(4) **FAILURE TO PAY INSTALLMENT OF ESTIMATED TAX.**—In the case of the failure to pay an installment of the estimated tax within the time prescribed, there shall be added to the tax \$2.50 or 2½ per centum of the tax, whichever is the greater, for each installment with respect to which such failure occurs.

"(5) **SUBSTANTIAL UNDERESTIMATE OF ESTIMATED TAX.**—If 80 per centum of the tax (determined without regard to the credits under sections 32, 35, and 466 (e)), in the case of individuals other than farmers exercising an election under section 60 (a), or 66⅔ per centum of such tax so determined in the case of such farmers, exceeds the estimated tax (increased by such credits), there shall be added to the tax an amount equal to such excess, or equal to 6 per centum of the amount by which such tax so determined exceeds the estimated tax so increased, whichever is the lesser. This paragraph shall not apply to the taxable year in which falls the death of the taxpayer."

53 Stat. 24; 56 Stat.
890.
26 U. S. C. § 32;
Supp. II, § 466 (e).
Ante, pp. 139, 143.

(c) **PENALTIES.**—Section 145 (a) of the Internal Revenue Code (relating to criminal penalties) is amended (1) by inserting after "return" wherever appearing therein the words "or declaration", and (2) by inserting before "tax" wherever appearing therein the words "estimated tax or".

53 Stat. 62.
26 U. S. C. § 145 (a).

(d) **PAYMENT BY INSTALLMENTS.**—Section 56 (b) of the Internal Revenue Code (relating to installment payments) is amended by striking out "The" at the beginning thereof and inserting in lieu thereof "Except in the case of an individual (other than an estate or trust and other than a nonresident alien with respect to whose wages, as defined in section 1621 (a), withholding under Subchapter D of Chapter 9 is not made applicable), the".

53 Stat. 31.
26 U. S. C. § 56 (b).

Ante, p. 126.

(e) **DATE FOR MAKING RETURN BY CERTAIN NONRESIDENT ALIENS.**—

(1) Section 217 (a) of the Internal Revenue Code (relating to returns by nonresident aliens) is amended by inserting after "In the case of a nonresident alien individual" the following: "with respect to whose wages, as defined in section 1621 (a), withholding under Subchapter D of Chapter 9 is not made applicable,".

53 Stat. 77.
26 U. S. C. § 217 (a).

Ante, p. 126.

(2) Section 218 (a) of the Internal Revenue Code (relating to payment of tax by nonresident aliens) is amended by inserting after "In the case of a nonresident alien individual" the following: "with respect to whose wages, as defined in section 1621 (a), withholding under Subchapter D of Chapter 9 is not made applicable,".

53 Stat. 77.
26 U. S. C. § 218 (a).

Ante, p. 126.

(f) **TAXABLE YEARS TO WHICH APPLICABLE.**—The amendments made by this section shall be effective with respect to taxable years

beginning after December 31, 1942, except that section 294 (a) (5) of the Internal Revenue Code shall not be applicable to a taxable year beginning in 1943 in the case of an individual not required to make a declaration under section 58 of the Internal Revenue Code for such year.

Ante, p. 144.

Ante, p. 141.

SEC. 6. RELIEF FROM DOUBLE PAYMENTS IN 1943.

(a) TAX FOR 1942 NOT GREATER THAN TAX FOR 1943.—In case the tax imposed by Chapter 1 of the Internal Revenue Code upon any individual (other than an estate or trust and other than a nonresident alien not subject to the provisions of sections 58, 59, and 60 of such chapter) for the taxable year 1942 (determined without regard to this section, without regard to interest or additions to the tax, and without regard to credits against the tax for amounts withheld at source) is not greater than the tax for the taxable year 1943 (similarly determined), the liability of such individual for the tax imposed by such chapter for the taxable year 1942 shall be discharged as of September 1, 1943, except that interest and additions to such tax shall be collected at the same time and in the same manner as, and as a part of, the tax under such chapter for the taxable year 1943. In such case if the tax for the taxable year 1942 (determined without regard to this section and without regard to interest or additions to the tax) is more than \$50, the tax under such chapter for the taxable year 1943 shall be increased by an amount equal to 25 per centum of the tax for the taxable year 1942 (so determined) or the excess of such tax (so determined) over \$50, whichever is the lesser. This subsection shall not apply in any case in which the taxpayer is convicted of any criminal offense with respect to the tax for the taxable year 1942 or in which additions to the tax for such taxable year are applicable by reason of fraud.

53 Stat. 4.
26 U. S. C. §§ 1-396;
Supp. II, §§ 3-476.
Ante, pp. 139-144;
post, p. 149, 584, 602.
Ante, pp. 141, 143.

(b) TAX FOR 1942 GREATER THAN TAX FOR 1943.—In case the tax imposed by Chapter 1 of the Internal Revenue Code upon any individual (other than an estate or trust and other than a nonresident alien not subject to the provisions of sections 58, 59, and 60 of such chapter) for the taxable year 1942 (determined without regard to this section, without regard to interest or additions to the tax, and without regard to credits against the tax for amounts withheld at source) is greater than the tax for the taxable year 1943 (similarly determined), the liability of such individual for the tax imposed by such chapter for the taxable year 1942 shall be discharged as of September 1, 1943, except that interest and additions to such tax shall be collected at the same time and in the same manner as, and as a part of, the tax under such chapter for the taxable year 1943. In such case the tax under such chapter for the taxable year 1943 shall be increased by—

53 Stat. 4.
26 U. S. C. §§ 1-396;
Supp. II, §§ 3-476.
Ante, pp. 139-144;
post, p. 149, 584, 602.
Ante, pp. 141, 143.

(1) the amount by which the tax imposed by such chapter for the taxable year 1942 (determined without regard to this section and without regard to interest and additions to such tax) exceeds the tax imposed by such chapter for the taxable year 1943 (determined without regard to this section, without regard to interest and additions to such tax, and without regard to credits against such tax under section 466 (e) or under section 35 of such chapter), plus

56 Stat. 890.
26 U. S. C., Supp.
II, § 466 (e).
Ante, p. 139.

(2) if the tax for the taxable year 1943 (determined without regard to this section, without regard to interest or additions to the tax, and without regard to credits against such tax under section 466 (e) or under section 35 of such chapter) is more than \$50, an amount equal to 25 per centum of the tax for the taxable

56 Stat. 890.
26 U. S. C., Supp.
II, § 466 (e).
Ante, p. 139.

year 1943 (so determined) or the excess of such tax (so determined) over \$50, whichever is the lesser. Such amount shall in no case exceed 25 per centum of the tax for the taxable year 1942 (determined without regard to this section and without regard to interest and additions to such tax) or the excess of such tax (so determined) over \$50, whichever is the lesser.

This subsection shall not apply in any case in which the taxpayer is convicted of any criminal offense with respect to the tax for the taxable year 1942 or in which additions to the tax for such taxable year are applicable by reason of fraud. An individual who becomes subject to tax for the taxable year 1943 under this subsection shall be an individual required to make a return for the taxable year 1943 under section 51 of the Internal Revenue Code.

(c) ADDITIONAL INCREASE IN 1943 TAX WHERE INCREASED INCOME.—

(1) TAX FOR 1942 NOT GREATER THAN THAT FOR 1943.—In the case of a taxpayer whose liability for the tax for the taxable year 1942 is discharged under subsection (a), and whose surtax net income for the base year plus \$20,000 is less than that for the taxable year 1942, the tax imposed by Chapter 1 of the Internal Revenue Code for the taxable year 1943 shall be increased by the excess of 75 per centum of the tax imposed by such chapter for the taxable year 1942 (determined without regard to this section and without regard to interest and additions to the tax) over a tentative tax computed as if the portion of the surtax net income for the taxable year 1942 which is not greater than the sum of the surtax net income for the base year plus \$20,000 constituted both the surtax net income for the taxable year 1942, and the net income for such taxable year after allowance of all credits against net income;

(2) TAX FOR 1942 GREATER THAN THAT FOR 1943.—In the case of a taxpayer whose liability for the tax for the taxable year 1942 is discharged under subsection (b) and whose surtax net income for the base year plus \$20,000 is less than that for the taxable year 1943, the tax imposed by Chapter 1 of the Internal Revenue Code for the taxable year 1943 shall be increased by the excess of 75 per centum of the tax imposed by such chapter for the taxable year 1943 (determined without regard to this section and without regard to interest and additions to the tax) over a tentative tax for the taxable year 1943 computed as if the portion of the surtax net income for such taxable year which is not greater than the sum of the surtax net income for the base year plus \$20,000 constituted both the surtax net income for the taxable year 1943, and the net income for such taxable year after allowance of all credits against net income.

For the purposes of this subsection "base year" means any one of the taxable years 1937, 1938, 1939, or 1940, to be selected by the taxpayer.

(d) RULES FOR APPLICATION OF SUBSECTIONS (A), (B), AND (C).—

(1) APPLICATION OF SUBSECTION (B) TO MEMBERS OF ARMED FORCES.—If the taxpayer is in active service in the military or naval forces of the United States or any of the other United Nations at any time during the taxable year 1942 or 1943, the increase in the tax for the taxable year 1943 under subsection (b) (1) shall be reduced by an amount equal to the amount by which the tax for the taxable year 1942 (determined without regard to this section) is increased by reason of the inclusion in the net income for the taxable year 1942 of the amount of the earned net income (as defined in section 25 (a) (4)).

53 Stat. 27.
26 U. S. C. § 51;
Supp. II, § 51.

53 Stat. 4.
26 U. S. C. §§ 1-396;
Supp. II, §§ 3-476.
Ante, pp. 139-144;
post, pp. 149, 584, 602.

53 Stat. 4.
26 U. S. C. §§ 1-396;
Supp. II, §§ 3-476.
Ante, pp. 139-144;
post, pp. 149, 584, 602.

53 Stat. 18.
26 U. S. C. § 25 (a)
(4).

(2) **JOINT RETURNS.**—If the taxpayer either for the taxable year 1942 or for the taxable year 1943 makes a joint return with his spouse, the taxes of the spouses for the taxable year for which a joint return is not made shall be aggregated for the purposes of subsections (a), (b), and (c), and in case the taxable year for which a joint return is not made is the taxable year 1943, the liability for the increase in the tax for the taxable year 1943 under subsections (b) and (c), shall be joint and several.

(3) **FOREIGN TAX CREDIT AND APPLICATION OF SECTIONS 105, 106, AND 107.**—The credit against the tax imposed by Chapter 1 of the Internal Revenue Code for the taxable year 1943 allowed by section 31 of such chapter (relating to taxes of foreign countries and of possessions of the United States), shall be determined without regard to subsections (a), (b), and (c). Sections 105, 106, and 107 of such chapter (relating to limitations on tax) shall be applied without regard to subsections (a), (b), and (c).

53 Stat. 24.
26 U. S. C. § 31.

53 Stat. 36, 878.
26 U. S. C. §§ 105,
106; Supp. II, § 107.

(4) **SECTION 107 INCOME ATTRIBUTED TO BASE YEAR.**—That portion of the compensation which is received or accrued in the taxable year 1942 (if the tax for such year is not greater than that for the taxable year 1943), or in the taxable year 1943 (if the tax for such year is less than that for the taxable year 1942), and which under section 107 of the Internal Revenue Code is attributed to the base year, shall for the purposes of subsection (c) be excluded in computing the surtax net income for the taxable year 1942 or 1943, as the case may be, and be included in computing the surtax net income for the base year.

53 Stat. 878.
26 U. S. C., Supp.
II, § 107.

(5) **PARTNERSHIP BUSINESS FORMERLY OPERATED AS CORPORATION.**—If, during the base year of any individual, such individual was a shareholder in a corporation and if substantially all of the assets of such corporation were at any time prior to May 1, 1943, acquired by such individual or a partnership of which he is a partner pursuant to the complete liquidation of such corporation, and if at all times after such liquidation up to and including the taxable year 1942 (if subsection (a) is applicable) or the taxable year 1943 (if subsection (b) is applicable) the trade or business of such corporation was carried on by such individual or partnership, for the purposes of subsection (c) such individual may compute his surtax net income for the base year as if the earnings and profits of the corporation for the taxable year ending with or within the base year had all been distributed as dividends at the end of such taxable year. If the interest of such individual in the partnership is proportionately less than his interest in the corporation, his distributive share of such dividends shall for the purposes of this paragraph be adjusted to reflect such difference.

(6) **CERTAIN PORTIONS OF INCREASE IN 1943 TAX NOT PART OF ESTIMATED TAX.**—The amount by which the tax for the taxable year 1943 is increased under subsection (a), (b) (2), or (c) shall not be considered to be a part of the tax for such taxable year for the purposes of sections 58, 59, 60, and 294 (a) (3), (4), and (5) of the Internal Revenue Code.

Ante, pp. 141-144.

(7) **TAXPAYER DYING IN TAXABLE YEAR 1942.**—If the individual dies during the taxable year 1942, subsections (a), (b), and (c) shall not apply.

(e) **EXTENSION OF TIME FOR PAYMENT OF PORTIONS OF INCREASE IN 1943 TAX.**—

(1) **TWENTY-FIVE PER CENTUM INCREASE UNDER SUBSECTION (A) OR (B).**—At the election of the taxpayer, made under regulations

prescribed by the Commissioner with the approval of the Secretary, the Commissioner shall, except as hereinafter provided, extend the time for the payment of the portion of the tax for the taxable year 1943 equal to one-half of the amount of the 25 per centum increase therein under subsection (a) or (b) (2) for the taxable year 1943, in which case such portion shall be paid on or before the fifteenth day of the fifteenth month following the close of the taxable year. The Commissioner may condition the extension upon the furnishing by the taxpayer of a bond in such amount, not exceeding the amount with respect to which the extension applies, with such surety or sureties, as the Commissioner deems necessary, conditioned upon the payment of such amount in accordance with the terms of the extension. If such amount is not paid on or before the date on which it is payable, it shall be paid upon notice and demand from the Collector. If such amount is not paid on or before the date on which it is payable, there shall be collected, as a part of the tax, interest on such amount at the rate of 6 per centum per annum for the period beginning with the date on which such amount is payable and ending with the date on which it is paid.

(2) INCREASE UNDER SUBSECTION (C).—At the election of the taxpayer, made under regulations prescribed by the Commissioner with the approval of the Secretary, the Commissioner shall, except as hereinafter provided, extend the time for the payment of the portion of the tax for the taxable year 1943 equal to the increase therein under subsection (c), in which case such portion shall be paid in four equal annual installments, the first of which shall be paid on the fifteenth day of the fifteenth month following the close of the taxable year, and of the remaining installments one of which shall be paid on the last day of each succeeding twelve-month period, except that any installment may be paid prior to the date prescribed for its payment. The Commissioner may condition the extension upon the furnishing by the taxpayer of a bond in such amount, not exceeding the amount of such increase, with such surety or sureties, as the Commissioner deems necessary, conditioned upon the payment of such amount in accordance with the terms of the extension. If the time for the payment of such portion is extended, there shall be collected, as a part of the tax, interest on each installment at the rate of 4 per centum per annum for the period beginning with the date prescribed for the payment of the tax for such taxable year and ending with the date on which such installment is paid or the date on which it is payable, whichever is the earlier. If any installment is not paid on or before the date on which it is payable, it and the remaining installments shall be paid upon notice and demand from the Collector. If any installment is not paid on or before the date on which it is payable, there shall be collected, as part of the tax, interest on such installment at the rate of 6 per centum per annum for the period beginning with the date on which such installment is payable and ending with the date on which it is paid.

(f) TREATMENT OF PAYMENTS ON ACCOUNT OF 1942 TAX.—Any payment (other than interest and additions to the tax) made on account of the tax imposed by Chapter 1 of the Internal Revenue Code for the taxable year 1942 upon a taxpayer whose liability for such tax is discharged under subsection (a) or (b) shall be considered as payment on account of the estimated tax for the taxable year 1943. In the case of any extension of time for the payment of such tax

53 Stat. 4.
26 U. S. C. §§ 1-396;
Supp. II, §§ 3-476.
Ante, pp. 139-144;
post, p. 149, 584, 602.

granted by the Commissioner prior to September 1, 1943, payment of the portion thereof which if such extension had not been granted would have been payable under section 56 (b) prior to such date shall be made notwithstanding subsection (a) or (b), but the foregoing provisions of this subsection shall apply to any such payment. In case the taxpayer becomes delinquent, prior to September 1, 1943, in the payment of such tax or any installment thereof, subsection (a) or (b) shall not relieve the taxpayer of his liability for the tax, but the foregoing provisions of this subsection shall be applicable to payment of such liability. If any payment on account of the tax imposed by such chapter for the taxable year 1942 is made pursuant to a joint return made by husband and wife for such taxable year, and such payment is considered as a payment on account of the estimated tax for the taxable year 1943, such payment may be treated as a payment on account of the estimated tax of either the husband or the wife for such taxable year or may be divided between them.

(g) **USE OF TERM "TAXABLE YEAR".**—For the purposes of this section the terms "taxable year 1937", "taxable year 1938", "taxable year 1939", "taxable year 1940", "taxable year 1942", and "taxable year 1943" mean, respectively, the taxable year beginning in 1937, 1938, 1939, 1940, 1942, and 1943, respectively; and "taxable year" as applied to the taxable year 1942 or 1943 shall not include any period of less than twelve months unless occasioned by the death of the taxpayer or unless there is no taxable year of twelve months beginning in such calendar year.

(h) **REGULATIONS.**—This section shall be applied in accordance with regulations prescribed by the Commissioner with the approval of the Secretary.

SEC. 7. ADDITIONAL ALLOWANCE FOR MEMBERS OF ARMED FORCES.

(a) **IN GENERAL.**—Section 22 (b) (13) of the Internal Revenue Code (relating to additional allowance for military and naval personnel in computing net income) is amended to read as follows:

"(13) **ADDITIONAL ALLOWANCE FOR MILITARY AND NAVAL PERSONNEL.**—In the case of compensation received during any taxable year and before the termination of the present war as proclaimed by the President, by a member of the military or naval forces of the United States for active service in such forces during such war, or by a citizen or resident of the United States who is a member of the military or naval forces of any of the other United Nations for active service in such forces during such war, so much of such compensation as does not exceed \$1,500."

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1942.

SEC. 8. ABATEMENT OF TAX FOR MEMBERS OF ARMED FORCES UPON DEATH.

Chapter 1 of the Internal Revenue Code is amended by inserting after section 404 the following new supplement:

"Supplement U—Abatement of Tax for Members of Armed Forces Upon Death

"SEC. 421. ABATEMENT OF TAX FOR MEMBERS OF ARMED FORCES UPON DEATH.

"In the case of any individual who dies on or after December 7, 1941, while in active service as a member of the military or naval

53 Stat. 31.
26 U. S. C. § 56 (b).
Ante, p. 144.

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

55 Stat. 692.
26 U. S. C., Supp.
II, § 404.

forces of the United States or of any of the other United Nations and prior to the termination of the present war as proclaimed by the President, the tax imposed by this chapter shall not apply with respect to the taxable year in which falls the date of his death, and the tax under this chapter and under the corresponding title of each prior revenue law for preceding taxable years which is unpaid at the date of his death (including interest, additions to the tax, and additional amounts) shall not be assessed, and if assessed the assessment shall be abated, and if collected shall be credited or refunded as an overpayment."

SEC. 9. ASSISTANT COMMISSIONERS.

Subchapter B of Chapter 39 of the Internal Revenue Code is amended to read as follows:

"SUBCHAPTER B—ASSISTANT COMMISSIONERS

"SEC. 3905. APPOINTMENT.

"There shall be in the Bureau of Internal Revenue two Assistant Commissioners, who shall be appointed by the President, by and with the advice and consent of the Senate.

"SEC. 3906. DUTIES.

"The Assistant Commissioners shall perform such duties as may be prescribed by the Commissioner or required by law."

SEC. 10. EXTENSION OF TIME IN CONNECTION WITH RELEASE OF POWERS OF APPOINTMENT.

Section 403 (d) (3) of the Revenue Act of 1942 is amended by striking out "July 1, 1943" wherever it appears and inserting in lieu thereof "March 1, 1944"; and section 452 (c) of the Revenue Act of 1942 is amended to read as follows:

"(c) **RELEASE BEFORE MARCH 1, 1944.**—

"(1) A release of a power to appoint before March 1, 1944, shall not be deemed a transfer of property by the individual possessing such power.

"(2) This subsection shall apply to all calendar years prior to 1944 and to that part of the calendar year 1944 prior to March 1, 1944."

Approved June 9, 1943, 7 p. m., E. War Time.

[CHAPTER 121]

AN ACT

To amend section 2 of the Civilian Pilot Training Act of 1939, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 2 of the Civilian Pilot Training Act of 1939, as amended, is amended by striking out the word "civilian".

SEC. 2. Any appropriations heretofore made and available for obligation during the fiscal year ending June 30, 1943, for carrying out the provisions of the Civilian Pilot Training Act of 1939, shall be available for carrying out the provisions of such Act as amended hereby. Any obligations entered into heretofore under such appropriations for purposes which are brought within the scope of such Act by this amendatory Act shall be deemed to be valid if otherwise properly incurred.

Approved June 10, 1943.

53 Stat. 478.
26 U. S. C. §§ 3905,
3906.

56 Stat. 944, 952,
1054.
26 U. S. C., Supp.
II, §§ 811 note, 1000
note.

June 10, 1943
[H. R. 1670]
[Public Law 69]

Civilian Pilot
Training Act of 1939,
amendment.
53 Stat. 855.
49 U. S. C., Supp.
II, § 752.
Funds available.
Ante. p. 80.

Validity of obliga-
tions.