action taken under such delegated authority, and may promulgate such rules and regulations as may be necessary to enable him to perform the functions, powers, and duties imposed upon him by this section.

(b) The Secretary shall make a quarterly report, within thirty days after each quarter, to the President and to the Congress of his operations under the authority conferred on him by this section. Each such report shall contain a recommendation by him as to whether the controls exercised under title III of the Second War Powers Act, 1942, as amended, and section 6 of the Act entitled "An Act to expedite the strengthening of the national defense", approved July 2, 1940, as amended, should or should not be continued, together with the current facts and reasons therefor. Each such report shall also contain detailed information with respect to licensing procedures under such Acts, allocations and priorities under the Second War Powers Act, 1942, as amended, and the allocation or nonallocation to countries of materials and commodities (together with the reasons therefor) under section 6 of the Act entitled "An Act to expedite the strengthening of the national defense", approved July 2, 1940, as amended.

PERSONNEL

SEC. 7. Notwithstanding any other law to the contrary, personnel engaged in the performance of duties related to functions, powers, and duties delegated by the President under the Second War Powers Act of 1942, as amended, and section 6 of the Act entitled "An Act to expedite the strengthening of the national defense", approved July 2, 1940, as amended, and whose employment was terminated, or who were furloughed, in June or July 1947, may be reemployed to perform duties in connection with the functions, powers, and duties extended by this Act.

APPROPRIATIONS

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this Act.

EFFECTIVE DATE

SEC. 9. This Act shall take effect on July 16, 1947.

Approved July 15, 1947.

[CHAPTER 249]

AN ACT

To allow to a successor railroad corporation the benefits of certain carry-overs of a predecessor corporation for the purposes of certain provisions of the Internal Revenue Code.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) if a railroad corporation (as defined in section 77m of the National Bankruptcy Act, as amended) (hereinafter referred to as successor corporation) has acquired, prior to January 1, 1950, property from another such railroad corporation (hereinafter referred to as predecessor corporation) in a receivership proceeding, or in a proceeding under section 77 of the National Bankruptcy Act, as amended, and if the basis of the property so acquired is determined under section 113 (a) (20) of the Internal Revenue Code, then, for the purposes of the determination under the Internal Revenue Code of—
(1) the "net operating loss carry-over" from any taxable year beginning after December 31, 1938, under the law applicable to such taxable year, and

(2) the "excess profits credit carry-over" or the "unused excess profits credit carry-over" from any taxable year beginning after December 31, 1939, under the law applicable to such taxable year, the net operating losses and the unused excess profits credits of such predecessor corporation for the taxable year in which the acquisition occurred and for the two preceding taxable years shall be carry-overs to such successor corporation in the manner and to the extent provided in regulations prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, as necessary to apply such net operating losses and unused excess profits credits as carry-overs so far as possible as if the predecessor corporation had been made use of in such proceeding instead of the successor corporation.

(b) For the purposes of this section, the taxable year of the successor corporation in which the acquisition occurred shall be considered as a taxable year succeeding the taxable year of the predecessor corporation in which the acquisition occurred.

(c) For the purposes of this section, if the period, beginning on the first day of the taxable year of the predecessor corporation in which the acquisition occurred and ending on the last day of the taxable year of the successor corporation in which the acquisition occurred, is not more than twelve months, the number of taxable years to which such net operating loss or unused excess profits credit is a carry-over shall be three instead of two, and such regulations shall prescribe (as nearly as possible in the same manner as provided in section 122 (b) (2) and section 710 (c) (3) (B) of such code) the amount to be carried over to the last of such succeeding years.

Sec. 2. (a) In the case of any taxable year of the successor corporation, if—

(1) the aggregate for such taxable year of the taxes of the successor corporation imposed by chapter 1 and subchapter E of chapter 2 of the Internal Revenue Code, computed without regard to this Act,

is less than the amount of—

(2) the aggregate of such taxes (determined under regulations prescribed by the Commissioner with the approval of the Secretary) that would have been imposed on the predecessor corporation for such taxable year if the predecessor corporation had been made use of in such proceeding instead of the successor corporation,

then the taxes of the successor corporation for such taxable year shall be the taxes computed without regard to this Act.

(b) In the case of any taxable year to which subsection (a) of this section is not applicable, if—

(1) the aggregate for such taxable year of the taxes of the successor corporation imposed by chapter 1 and subchapter E of chapter 2 of the Internal Revenue Code, computed without regard to this section,

is less than the amount of—

(2) the aggregate of such taxes (determined under regulations prescribed by the Commissioner with the approval of the Secretary) that would have been imposed on the predecessor corporation for such taxable year if the predecessor corporation had been made use of in such proceeding instead of the successor corporation,
then the taxes of the successor corporation for such taxable year shall be the taxes so determined under regulations as the taxes that would have been imposed on the predecessor corporation for such taxable year.

(c) This section shall be applicable to those taxable years of the successor corporation to which there is a carry-over of a net operating loss or unused excess profits credit under section 1, and to any later taxable year for which a net operating loss deduction or unused excess profits credit adjustment results or is increased by reason of the use in another year of a carry-over permitted under section 1.

SEC. 3. Where there are two or more predecessor corporations or two or more successor corporations, the provisions of sections 1 and 2 of this Act shall be applied only to such extent and subject to such conditions, limitations, and exceptions as the Commissioner, with the approval of the Secretary, may by regulations prescribe.

SEC. 4. If the allowance of a credit or refund of an overpayment of tax resulting from the application of this Act is prevented, on the date of the enactment of this Act or within one year from such date, by the operation of any law or rule of law other than this section and other than section 3761 of the Internal Revenue Code, such overpayment shall be refunded or credited in the manner provided in the Internal Revenue Code if claim therefor is filed within one year from the date of the enactment of this Act. No interest shall be allowed or paid on any overpayment or deficiency resulting from the application of this Act.

Approved July 15, 1947.

[CHAPTER 250] AN ACT

To authorize the issuance of certain public-improvement bonds by the Territory of Hawaii.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, during the years 1947 to 1951, inclusive, the Territory of Hawaii is authorized and empowered to issue, any provision of the Hawaiian Organic Act or any other Act of Congress to the contrary notwithstanding, public-improvement bonds in such amounts as will not cause the total indebtedness of such Territory to exceed $35,000,000. Any extension of the total indebtedness of such Territory beyond $35,000,000 shall be made solely in conformity with the Hawaiian Organic Act.

Sec. 2. All bonds issued pursuant to section 1 shall be serial bonds payable in substantially equal annual installments, with the first such installment maturing not later than five years from the date of issue and the last such installment maturing not later than thirty years from such date.

Sec. 3. Bonds shall not be issued pursuant to section 1 without the approval of the President of the United States.

Approved July 15, 1947.

[CHAPTER 251] AN ACT

To provide for the appointment of one additional Assistant Secretary of Commerce, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be in the Department of Commerce one additional Assistant Secretary