

CONTENTS

1. Cross-References within the Internal Revenue Code of 1954 as of January 1, 1963
2. Refunds and Credits of Internal Revenue Taxes, Fiscal Year ended June 30, 1960
3. Reporting and Substantiation of Expenses for Travel, Entertainment, and Gifts
4. Refunds and Credits of Internal Revenue Taxes, Fiscal Year ended June 30, 1961
5. Digest of Testimony Presented and Statements submitted to the Committee on Ways and Means with Respect to H.R. 8000. (Interest Equalization Tax Act of 1963)
6. Report on Operation of Stock Option Plan by Chrysler Corporation
7. Brief Summary of the Provisions of H.R. 8000, The "Interest Equalization Tax Act of 1963".
8. Cross-References within the Internal Revenue Code of 1954 as of March 1, 1964
9. "The Revenue Act of 1964" Public Law 88-272. Comparison of Provisions of H.R. 8363, as passed by the House, with Present Law, etc.

CONTENTS (Cont.)

10. Federal Excise Tax Data, March 1964.
11. Memoranda (May 26, 1964)
Estate Tax Convention with Greece
12. "The Interest Equalization Tax Act of 1963" (H.R. 8000).
Outline of Provisions as passed by the House & Amendments recommended by the Treasury Department
13. Digest of Testimony Presented & Statements submitted to the Committee on Finance with respect to H.R. 8000. ("Interest Equalization Tax Act of 1963").
14. Excise Taxes. Summary of Recommendations for Revisions.
15. Excise Taxes. Summary of Technical Issues under Present Law Raised in Testimony Given Before the Committee on Ways and Means.
16. Summary of Senate Amendments to H.R. 8000, Interest Equalization Tax Act.
17. Refunds and Credits of Internal Revenue Taxes, Fiscal Year ended June 30, 1962.

EXCISE TAXES

SUMMARY OF RECOMMENDATIONS
FOR REVISIONS

GIVEN IN TESTIMONY

BEFORE THE

COMMITTEE ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES

ON

JULY 21, 22, 23, 24, 27, 28, 29, 30, 31

AND

AUGUST 3, 1964



Staff of the Joint Committee on Internal Revenue Taxation

U.S. GOVERNMENT PRINTING OFFICE

RECOMMENDATIONS FOR EXCISE TAX REVISION

A. RECOMMENDATIONS FOR RETAIL TAXES

	Page in hearings
1. Repeal of all four retail taxes:	
(a) Hon. Vance Hartke, U.S. Senator from the State of Indiana	149
(b) Hon. Abraham J. Multer, Representative in Congress from the State of New York (recommends his bill, H.R. 10273, repealing four retail taxes, several manufacturers' taxes, and some on facilities and services)	175
(c) Dillard Munford, chairman, committee on taxation, National Association of Manufacturers	189
(d) Illinois Manufacturers' Association	234
(e) Godfrey A. Stamm, managing director, Broadway Association, Inc.	234
(f) Chicago Association of Commerce and Industry, Herbert V. Prochnow, president	236
(g) Zenith Radio Corp., J. S. Wright, president	237
(h) Ralph H. Swan, Washington, D.C.	238
(i) Edward Atkins, executive vice president, National Association of Shoe Chain Stores	247
(j) Herbert F. Underwood, Committee for the Repeal of the Retail Excise Tax and the Jewelry Industry Tax Committee	274
(k) American Retail Federation (Calvin K. Snyder, executive vice president)	293
(l) C. W. Evans, vice president, National Association of Chain Drug Stores, Inc.	330
(m) Hon. Leonor K. Sullivan, Representative in Congress from the State of Missouri	346
(n) Joseph T. Meek, president, Illinois Retail Merchants Association	347
(o) Leslie C. Hackler, Jr., tax counsel, Gibson Discount Co., Dallas, Tex.	354
(p) Variety Stores Association, Inc.	362
(q) Lloyd E. Deilke, president, National Association of Direct Selling Companies	365
(r) Charles Hopkins, executive vice president, West Virginia Retailers Association	368
(s) John W. Overholser, Montrose, Colo.	369
(t) Hon. Clement J. Zablocki, Representative in Congress from the State of Wisconsin	1209
2. Repeal of certain of the retail taxes:	
(a) Toilet preparations:	
(1) Philip F. Jehle, Washington representative, National Association of Retail Druggists	313
(2) Gerald D. Morgan, counsel, Toilet Goods Association	338
(3) William F. Weigel, counsel, Proprietary Association	344
(b) Luggage tax:	
(1) Burton S. Wirtschafter, director, National Authority for the Ladies Handbag Industry	239
(2) National Association of Shoe Chain Stores, Edward Atkins, executive vice president	247
(3) Jack Citronbaum, executive vice president, Luggage & Leather Goods Manufacturers of America, Inc.	248
(4) Norman Zukowsky, international president, International Leather Goods, Plastics & Novelty Workers' Union	254
(5) Robert I. Bobrow, vice president and tax counsel, J. L. Williams Co., Inc., and Landers, Frary & Clark, New York, N.Y.	259

	Page in hearings
2. <i>Repeal of certain of the retail taxes—Continued</i>	
(b) Luggage tax—Continued	
(6) Robert H. Herron, executive secretary, National Luggage Dealers Association-----	266
(7) C. W. McMillian, executive vice president, American National Cattlemen's Association-----	267
(8) Henry Foner, president, joint board, Fur and Leather Department, Amalgamated Meat Cutters & Butcher Workmen of North America (AFL-CIO)-----	302
(9) Philip F. Jehle, Washington representative and asso- ciate general counsel, National Association of Retail Druggists-----	313
(c) Furs:	
(1) George J. Greenberg, executive vice president, Asso- ciated Fur Manufacturers, Inc.-----	294
(2) Kenneth M. Plaisted, general counsel, National Board of Fur Farm Organizations, Inc.-----	297
(3) Henry Foner, president, joint board, Fur and Leather Department, Amalgamated Meat Cutters & Butcher Workmen of North America (AFL-CIO)-----	302
(4) A. Albert Eichler, Master Furriers Guild of America..	306
(d) Jewelry:	
Hon. Claiborne Pell, U.S. Senator from the State of Rhode Island-----	267
3. <i>Other recommendations for retail taxes:</i>	
(a) Opposes shifting toilet goods tax from retailers to manufac- turers level: Gerald D. Morgan, counsel, Toilet Goods Association----	338
(b) Amend the luggage tax to exclude carrying cases designed for nontaxable purposes but susceptible of a secondary function which is taxable: Mr. Robert I. Bobrow, vice president and tax counsel, J. B. Williams Co., Inc., and Landers, Frary & Clark, New York, N.Y.-----	259
(c) Reinstate an exemption from the jewelry tax for Indian handi- craft: Hon. T. G. Morris, Representative in Congress from the State of New Mexico-----	268
(d) Exempt inexpensive costume jewelry from the retail jewelry tax: Philip F. Jehle, Washington representative and associate general counsel, National Association of Retail Drug- gists-----	313
(e) Opposes shifting the retailers taxes to the manufacturer's level: Lloyd E. Deilke, president, National Association of Direct Selling Companies-----	365

B. RECOMMENDATIONS FOR MANUFACTURERS' TAXES

I. AUTOMOTIVE TAXES

1. Passenger cars:	
(a) <i>Repeal the tax:</i>	
(1) Hon. John D. Dingell, Representative in Congress from the State of Michigan-----	407
(2) Hon. Charles E. Chamberlain, Representative in Con- gress from the State of Michigan-----	408
(3) Richard E. Cross, chairman, Taxation Committee, Automobile Manufacturers Association-----	417
(4) Ed Kossman, chairman, Governmental Relations Committee, National Automobile Dealers Associa- tion-----	460
(5) Russell E. Singer, executive vice president, American Automobile Association-----	520

1. Passenger cars—Continued

(b) *Other recommendations on passenger cars:*

	Page in hearings
(1) Repeal should be retroactive:	
(i) Hon. Charles E. Chamberlain, Representative in Congress from the State of Michigan	408
(ii) Ed Kossman, chairman, Governmental Relations Committee, National Automobile Dealers Association	460
(2) Miscellaneous:	
(i) If relief is granted only for low-priced cars, the tax should be retained on imported cars: Hon. Charles E. Chamberlain, Repre- sentative in Congress from the State of Michigan	408
(ii) Amend section 6412(a)(1) (floor stock re- funds) to provide that "new automobile" shall mean an automobile, the equitable or legal title to which has never been trans- ferred by a manufacturer, distributor, or dealer to an ultimate purchaser for his own use and not for resale: Ed Kossman, chairman, Governmental Relations Committee, National Auto- mobile Dealers Association	460
(iii) Approves H.R. 7607 to exempt from auto tax any auto certified by the Federal Aviation Agency as aircraft (IRS says auto portion of a flying automobile is taxable). Aerocar, Inc., M. B. Taylor, president	538

2. Trucks and buses:

(a) <i>Reduce the tax on trucks and buses to 5 percent:</i> Hon. John D. Dingell, Representative in Congress from the State of Michigan	407
(b) <i>Exempt school buses used for transportation of students of an educational institution (H.R. 9996):</i> J. W. Tinnen, president, School Bus Contract-Operators' National Association	527
(c) <i>The tax on heating and cooling equipment for trucks should be a uniform 8 percent as parts and accessories whether the equip- ment is installed before the sale of a truck or after (tax now 8 percent if sold by the manufacturer of the heating and cooling equipment, 10 percent if installed in a truck or trailer before final sale):</i> J. B. Hulse, managing director, Truck Trailer Manufac- turers Association	531
(d) <i>Enact H.R. 11963 and solve the problem of lengthening trailers (Rev. Rul. 64-34):</i> J. F. Pinkney, chief counsel, public affairs, American Trucking Association, Inc.	535
(e) <i>Rev. Rul. 64-107 (nurse tank wagon) should not be applied retro- actively; old regulations were correct:</i> Zenas H. Beers, executive vice president, Agricultural Ammonia Institute	536
(f) <i>Exempt self-propelled mobile homes from tax:</i> Frank Motor Homes, Inc.	541

3. Auto parts and accessories:

(a) <i>Repeal the tax on parts:</i>	
(1) Hon. John D. Dingell, Representative in Congress from the State of Michigan	407
(2) Ed Kossman, chairman, Governmental Relations Committee, National Automobile Dealers Assoc- iation	460
(3) Harold T. Halfpenny, attorney, Industrywide Auto- motive Excise Tax Committee	464
(4) Russell E. Singer, executive vice president, American Automobile Association	520
(5) National Glass Dealers Association, Donald M. Counihan, counsel	524

	Page in hearings
3. Auto parts and accessories—Continued	
(b) <i>Repeal the tax on rebuilt parts:</i>	
(1) Hon. Howard W. Cannon, Senator from the State of Nevada.....	233
(2) Harold T. Halfpenny, attorney, Industrywide Automotive Excise Tax Committee.....	464
(3) George H. Buschmann, Legislative Steering Committee for Rebuilders of Automotive Parts.....	493
(c) <i>Miscellaneous:</i>	
(1) Define taxable storage batteries in terms of voltage and metallic content and levy a tax in terms of cents per pound of metallic content: Harold T. Halfpenny, attorney, Industrywide Automotive Excise Tax Committee.....	464
(2) Exempt from the tax on automobile parts portable baby seats and beds: Juvenile Products Manufacturing Association---	519
(3) Exempt glass cut to size by independent glass dealers, and cut the tax on auto parts from 8 to 5 percent (in lieu of repeal): National Glass Dealers Association, Donald M. Counihan, counsel.....	524
(4) Exempt auto seat covers: Automobile Seat Cover Association of America, Stanley Nemer.....	541c

II. PETROLEUM PRODUCTS

1. Recommendations for both gasoline and lubricating oils:	
(a) <i>Eliminate the registration certificate for State and local government and vessels and aircraft in foreign trade;</i>	
(b) <i>Repeal the bonding requirement for producers of gasoline and manufacturers of lubricating oil;</i>	
(c) <i>In section 4221(d)(6)(C), clarify the nonfuel phrase;</i>	
(d) <i>Revise the definition of gasoline to accord with technological changes:</i> W. N. Lambert, American Petroleum Institute.....	628
2. Lubricating oil:	
(a) <i>Repeal the tax on lubricating oil:</i> Rudolph Cubicciotti, American Petroleum Institute, National Petroleum Refiners Association, and Pennsylvania Grade Crude Oil Association.....	620
(b) <i>Retain the 6-percent tax on virgin lubricating oil:</i> V. T. Worthington, executive director, Association of Petroleum Refiners.....	686
3. Gasoline:	
<i>In section 4082(b), the definition of gasoline, strike the parenthetical phrase "(including casinghead and natural gasoline)", and in section 4041(b), include casinghead, natural, and drip gasoline under special motor fuels:</i>	
(1) Dean M. Bloyd, chairman, special committee on Federal excise taxes, Mid-Continent Oil & Gas Association....	637
(2) O. G. Oldham, Natural Gas Processors Association.....	644
4. Special motor fuels:	
(a) <i>Amend the law so that the tax on both diesel and special fuels would apply only when the fuel is used to propel a vehicle:</i> D. L. McDonald, president, Association of Oilwell Servicing Contractors.....	613
(b) <i>Limit the tax on special motor fuel to fuel for use in a highway vehicle by deleting section 4041(b) and placing special motor fuel in revised section 4041(a):</i> A. C. Kreutzer, vice president and general counsel, National LP-Gas Association.....	682

III. BUSINESS MACHINES

Repeal the tax:

(a) R. Stanley Laing, chairman, Excise Tax Committee, Business Equipment Manufacturers Association.....	371
(b) Charles F. Krause, Jr., general counsel, National Office Machine Dealers Association.....	389

IV. MECHANICAL PENS, PENCILS, AND LIGHTERS

Page in
hearings

1. *Repeal the tax on lighters, rather than exempting those costing less than \$1:*
 - (a) Ronson Corp., Woodbridge, N.J.----- 558
 - (b) M. P. Daniels, Stitt & Hemmendinger, Smoking Articles Export Promotion Association of Japan----- 559
2. *Repeal the tax on mechanical pencils and pens:*
Alfred P. Diotte, president, Writing Instrument Manufacturers Association, Inc.----- 739
3. *Exempt from the tax on pens and pencils specialty advertising costs:*
George Curran, Specialty Advertising Association----- 393

V. MATCHES

1. *Repeal the tax:*
 - (a) Frank J. Prince, Match Institute, Inc.----- 545
 - (b) Richard A. Tilden, Match Institute, Inc.----- 545
2. *Other recommendations:*
Interpretations should be available by the effective date of an act and the future rulings should not be retroactive:
Frank J. Prince, Match Institute, Inc.----- 545

VI. LIGHT BULBS

- Repeal the tax:*
D. D. Scarff, general manager, lamp division, General Electric Co., Cleveland, Ohio----- 560

VII. MUSICAL INSTRUMENTS

- Repeal the tax:*
- (a) Hon. John Brademas, Representative in Congress from the State of Indiana----- 563
 - (b) Donald D. Alexander, National Piano Manufacturers Association of America, Inc., National Association of Electronic Organ Manufacturers, Guitar & Accessory Manufacturers Association of America, National Association of Band Instrument Manufacturers, National Association of Musical Merchandise Wholesalers, Inc.----- 565
 - (c) Morley P. Thompson, National Piano Manufacturers Association of America, Inc., National Association of Electronic Organ Manufacturers, Guitar & Accessory Manufacturers Association of America, National Association of Band Instrument Manufacturers, National Association of Musical Merchandise Wholesalers, Inc.----- 565
 - (d) William R. Gard, executive manager, National Association of Music Merchants, Inc.----- 576
 - (e) Dr. Peter Wilhousky, director of music, New York Public Schools----- 582
 - (f) Fred Fulford, secretary-treasurer, United Furniture Workers of America, AFL-CIO, and director, Piano, Organ and Musical Instruments Council----- 583

VIII. RADIO, TELEVISION, AND PHONOGRAPHS

1. *Repeal the tax:*
 - (a) William R. Gard, executive vice president, National Association of Music Merchants, Inc.----- 576
 - (b) Delbert L. Mills, Electronic Industries Association----- 591
 - (c) Vincent T. Wasilewski, executive vice president, National Association of Broadcasters----- 605
 - (d) Mort Farr, director, National Appliance & Radio-TV Dealers Association----- 608

	Page in hearings
2. <i>Other recommendations:</i>	
(a) Give priority to reducing the tax on UHF sets; in particular, reduce from 10 to 5 percent but the reduction should not exceed the cost of installing a UHF tuner:	
(1) Delbert L. Mills, Electronic Industries Association.....	591
(2) William G. Harley, president, National Association of Educational Broadcasters.....	600
(3) Mort Farr, director, National Appliance & Radio-TV Dealers Association.....	608
(4) Robert D. L'Heureux, general counsel, National Community Television Association, Inc.....	610
(5) Lester W. Lindow, executive director, Association of Maximum Service Telecasters, Inc.....	611
(b) Remove excise tax on all-channel television receivers at this session of Congress:	
Vincent T. Wasilewski, executive vice president, National Association of Broadcasters.....	605
(c) If H.R. 4988 is enacted granting retroactive tax forgiveness on sales prior to September 1, 1955, of vacuum tubes used in component parts of television sets, the competitive situation of those who paid the tax should be taken into consideration:	
Standard Kollsman Industries, Inc.....	612

IX. PHONOGRAPH RECORDS

1. <i>Repeal the tax:</i>	
(a) William R. Gard, executive vice president, National Association of Music Merchants, Inc.....	576
(b) Henry Brief, executive secretary, presenting statement in behalf of Goddard Lieberman, president, Record Industry Association of America.....	855
(c) Philip L. Miller, New York, N.Y.....	864
(d) John J. Lorenz, vice president, finance, Columbia Records....	890
(e) London Records, Inc., John E. Stricker, treasurer.....	896
(f) American Textbook Publishers Institute.....	896
(g) American Book Publishers Council, Inc.....	896
2. <i>Exempt "talking books":</i>	
Audio Book Co., St. Joseph, Mich., L. H. Selent, vice president....	897

X. REFRIGERATION EQUIPMENT

1. <i>Repeal the tax on refrigeration equipment (sec. 4111):</i>	
(a) Pauline B. Dunckel, executive secretary, Institute of Appliance Manufacturers.....	700
(b) National Electrical Manufacturers Association, Joseph F. Miller, managing director.....	706
2. <i>Repeal tax on self-contained air conditioners:</i>	
U. V. Muscio, room air conditioner section, National Electrical Manufacturers Association.....	727

XI. ELECTRIC, GAS, AND OIL APPLIANCES

1. <i>Repeal the tax:</i>	
(a) Pauline B. Dunckel, executive secretary, Institute of Appliance Manufacturers.....	700
(b) National Electrical Manufacturers Association, Joseph F. Miller, managing director.....	706
2. <i>Exempt certain items:</i>	
(a) Hot water heaters:	
(1) Hon. Henry S. Reuss, Representative in Congress from the State of Wisconsin.....	691
(2) J. C. Wallace, gas water heater division, Gas Appliance Manufacturers Association.....	713
(b) Ranges:	
Richard S. Burke, domestic gas range division, Gas Appliance Manufacturers Association.....	716

<i>2. Exempt certain items—Continued</i>		Page in hearings
(c)	Household-type incinerators: William R. Hebert, gas incinerator division, Gas Appliance Manufacturers Association.....	723
(d)	Driers and ironers: American Home Laundry Manufacturers' Association....	736

XII. PHOTOGRAPHIC EQUIPMENT

<i>Requests "equitable treatment in respect to any reductions or eliminations of excise taxes":</i>		
	William C. Babbitt, managing director, National Association of Photographic Manufacturers, Inc.....	753

XIII. SPORTING GOODS

<i>1. Repeal the tax:</i>		
(a)	William P. Holmes, secretary-treasurer, Athletic Goods Manufacturers Association, Golf Ball Manufacturers Association, and National Association of Golf Club Manufacturers (excluding fishing equipment).....	781
(b)	National Sporting Goods Association, R. R. (Dutch) Leonard.....	798
(c)	J. L. Hanigan, president, Brunswick Corp., Chicago, Ill. (excluding fishing equipment).....	821
(d)	Irving H. Franklin, president, Hanover Sports, Inc., Brockton, Mass.....	825
(e)	J. R. Harrison, chairman, Equipment Committee, United States Table Tennis Association.....	830
<i>2. Exempt certain items:</i>		
(a)	Bowling balls and pins: C. E. Goldberg, chairman, executive committee, Bowling Proprietors Association of America.....	802
(b)	Table tennis balls: Charles P. LeMieux, Jr., president, Tennex Corp. of America, Wesport, Conn.....	827
(c)	Clarify the law so that sectional bamboo fishing poles are clearly nontaxable: Julius Neiman, president, Norton Manufacturing Corp., Chicago, Ill.....	831
(d)	Lacrosse sticks and balls: Hon. Clarence D. Long, Representative in Congress from the State of Maryland.....	850
(e)	Golf equipment: Warren Cantrell, president, Professional Golfers' Association of America.....	925

XIV. FIREARM SHELLS AND CARTRIDGES AND FISHING EQUIPMENT

<i>Retain present taxes (which support wildlife programs):</i>		
(a)	C. R. Gutermuth, National Wildlife Federation, Izaak Walton League of America, Wilderness Society, Sport Fishing Institute, National Rifle Association, National Audubon Society, and vice president, Wildlife Management Institute.....	837
(b)	American Fishing Tackle Manufacturers Association, A. J. Boehm, executive director (fishing tackle only).....	837
(c)	William E. Towell, vice president and chairman, legislative activities, International Association of Game, Fish & Conservation Commissioners.....	844
(d)	Michigan Department of Conservation, Ralph A. MacMullan, director.....	847
(e)	Dr. Spencer M. Smith, Jr., economist and secretary, Citizens Committee on Natural Resources.....	848
(f)	Sporting Arms & Ammunition Manufacturers' Institute, Harry L. Hampton, Jr., secretary (firearms only).....	848

XV. GENERAL RECOMMENDATIONS REGARDING MANUFACTURERS'
TAXES

	Page in hearings
1a. <i>Repeal all manufacturers' taxes:</i>	
(a) Illinois Manufacturers' Association-----	234
(b) Chicago Association of Commerce and Industry, Herbert V. Prochnow, president-----	236
(c) Zenith Radio Corp., J. S. Wright, president-----	237
(d) William H. Bulkeley, president, National Social Welfare Assembly, Inc-----	396
(e) Donald Cordes, vice chairman, Council on Government Relations, American Hospital Association-----	40
1b. <i>Reduce the manufacturers' taxes to 5 percent:</i>	
Dillard Munford, chairman, committee on taxation, National Association of Manufacturers-----	189
2. <i>Repeal manufacturers' taxes imposed on consumer products:</i>	
American Retail Federation-----	293
3. <i>Grant an exemption to all organizations coming under sections 501(a) and 501(c)(3):</i>	
William H. Bulkeley, president, National Social Welfare Assembly, Inc-----	396
4. <i>Grant an exemption to nonprofit hospitals:</i>	
Donald Cordes, vice chairman, Council on Government Relations, American Hospital Association-----	400
5. <i>Exempt sales to the Federal Government:</i>	
Edward F. Fisher, president, Gar Wood Industries, Inc., Wayne, Mich-----	404
6. <i>Definition of manufacturing should be added to the law:</i>	
Arnold J. Hoffman, attorney, New York, N.Y-----	405
7. <i>Provide definition of manufacturer and importer:</i>	
Lewis D. Spencer, Federal Excise Tax Council-----	195
8. <i>Amend section 4216(a) (definition of price) to eliminate certain costs from the tax base in an industry where private-brand sales are "normal channel":</i>	
Harold T. Halfpenny, attorney, Industrywide Automotive Excise Tax Committee-----	464
9. <i>Redesign form 720 to include the reporting of the total sales with detail of all exemptions, credits and allowances due; to provide fine for failure to register under section 4221:</i>	
Colin McLennan, Warn Manufacturing Co., Inc., Seattle, Wash--	542
10. <i>Amend section 4216(b)(2) so that the constructive sales price will be based on the lowest price to wholesale distributors rather than the highest:</i>	
Lewis D. Spencer, Federal Excise Tax Council-----	195

C. RECOMMENDATIONS FOR DOCUMENTARY STAMP TAXES

1. <i>Rates:</i>	
Reduce the rate on the stock transfer tax from 4 cents to 3 cents and the bond transfer tax from 5 cents to 4 cents:	
(1) Association of Stock Exchange Firms-----	900
(2) National Association of Securities Dealers, Inc-----	900
(3) G. Keith Funston, president, New York Stock Exchange--	902
(4) John R. Haire, chairman, Federal taxation committee, Investment Bankers Association of America-----	903
2. <i>Daylight exemption:</i>	
Grant daylight exemption for specialists and odd lot dealers:	
(1) James C. Kellogg III, president, Association of Stock Exchange Firms-----	899
(2) Association of Stock Exchange Firms and National Association of Securities Dealers, Inc. (exemption also to be applied to over-the-counter market)-----	900
(3) G. Keith Funston, president, New York Stock Exchange--	902
(4) John R. Haire, chairman, Federal taxation committee, Investment Bankers Association of America-----	903

3. Other recommendations:		Page in hearings
(a) Exempt sales between dealers:		
(1) Association of Stock Exchange Firms	-----	900
(2) National Association of Securities Dealers, Inc.	-----	900
(b) Repeal of the issuance taxes for stocks and bonds:		
(1) G. Keith Funston, president, New York Stock Exchange	-----	902
(2) John R. Haire, chairman, Federal taxation committee, Investment Bankers Association of America	-----	903

D. RECOMMENDATIONS FOR FACILITIES AND SERVICES

I. CLUB DUES

1. Repeal the tax:		
(a) Warren Cantrell, president, Professional Golfers' Association of America	-----	925
(b) Dr. Gene C. Nutter, executive director, Golf Course Superintendents Association of America	-----	933
(c) Arthur E. Iredell, partner, Harris, Kerr, Forster & Co., New York, N.Y.	-----	944
(d) Kahl K. Spriggs, attorney, United States Lawn Tennis Association	-----	947
2. Cut the tax to 10 percent:		
(a) Clem Young, president, Club Managers Association of America	-----	907
(b) Clarence W. Benedict, president, United States Golf Association	-----	911
(c) Frank G. Hathaway, secretary-treasurer, National Club Association	-----	920
(d) Patricia McCormick, Southern California Chapter, United States Olympians	-----	935
(e) Walter A. Slowinski, Washington, D.C., attorney	-----	943
(f) Kahl K. Spriggs, attorney, United States Lawn Tennis Association	-----	947
3. Recommended H.R. 9487 which exempts assessments or dues allocated to employee retirement plans:		
(a) Frank G. Hathaway, secretary-treasurer, National Club Association	-----	920
(b) Walter A. Slowinski, Washington, D.C., attorney (also recommended H.R. 1828 which exempts "housekeeping" payments)	-----	943
4. Increase the exemption for dues and fees to \$25 or \$50: Vernon D. Platt, chairman of the board, International Association of Swim Clubs, Pools & Beaches		949
5. Committee to reaffirm the statement in the House report on the Excise Tax Technical Changes Act of 1958 (p. 38); the club dues tax not applied to swimming clubs: Sol L. Kesselman, Garden State Swim Clubs (New Jersey)		950
6. Revise code sections 4231, 4233(a)(4), and 4241 so that the club dues tax will apply only to those membership clubs owned or controlled by the members and so that the admissions tax applies to privately owned enterprises operated for profit. The exemption from admissions and the admissions tax in 4233(a)(4) should be amplified: I. Stutz Drosnes, counsel, Rockleigh Field Club (New Jersey), Hillcrest Cabana & Country Club (New Jersey), and Darlington Country Club (New Jersey)		952
7. Exempt athletic clubs: George T. Wright, vice president, New York Athletic Club		938
8. H.R. 9988, exempt certain shooting and fishing preserves:		
(a) Hon. William J. Randall, Representative in Congress from the State of Missouri	-----	953
(b) Samuel G. McCluney, president, North American Game Breeders & Shooting Preserve Association	-----	956
9. Conservation activity should not be taxed: J. Martin Winton, California Grassland Water Districts and the California Wildlife Federation		960

	Page in hearings
10. <i>Exemption now granted swimming and skating facilities should be extended to cover all mutually owned park and recreational facilities:</i> Leonard Silverstein, National Association of Home Builders.....	978
11. <i>Clarify section 4241 so that bowling league members would not be liable for club dues tax:</i> C. E. Goldberg, chairman, executive committee, Bowling Proprietors Association of America.....	802

II. ADMISSIONS

1. General admissions:

(a) *To exempt motion pictures:*

(1) La Mar Sarra, cochairman, National Tax Campaign Committee, Council of Motion Picture Organizations.....	1166
(2) Lester B. Issac, international representative, International Alliance of Theatrical Stage Employees & Motion Picture Operators of the United States and Canada.....	1170
(3) Roy B. Cooper, president, Northern California Theatre Association.....	1172
(4) Mayor Robert F. Wagner, New York.....	1173
(5) Milton H. London, president, Allied Theatres of Michigan, Inc.....	1173
(6) Harry Goldberg, Washington Crossing, Pa.....	1174
(7) Martin H. Newman, vice president, Century Theatres, Inc.....	1174
(8) Moving Picture Machine Operators Union of the International Alliance of Theatrical Stage Employees & Moving Picture Machine Operators of the United States and Canada, Steve D'Inzillo, New York business representative.....	1176
(9) Emanuel Frisch, Randforce Amusement Corp., Brooklyn, N.Y.....	1176

(b) *To exempt live theater:*

(1) Hon. John V. Lindsay, Representative in Congress from the State of New York (his bill, H.R. 2518 would exempt live dramatic and musical).....	1177
(2) Harold Prince, president, National Association of the Legitimate Theatre, Inc., and president, League of New York Theatres, Inc.....	1178
(3) John F. Wharton, National Association of the Legitimate Theatre, Inc., and the League of New York Theatres, Inc. (also repeal additional taxes on sales outside box office or sales by proprietor in excess of regular price).....	1180
(4) David Merrick, National Association of the Legitimate Theatre, Inc., and the League of New York Theatres, Inc.....	1183
(5) Jack Golodner, legislative representative, Actors Equity Association.....	1197
(6) Musical Arena Theatres Association, Edward O. Lutz, executive director.....	1203

(c) *Miscellaneous:*

(1) Advocates his bill, H.R. 12045, to exempt admissions to motion pictures, exhibits, carnivals, rodeos, and circuses promoted and sponsored in municipally owned facilities: Hon. Horace R. Kornegay, Representative in Congress from the State of North Carolina.....	1165
(2) To exempt admissions to travel attractions: James C. Gross, executive director, National Association of Travel Organizations.....	1205
(3) To broaden the exemption for athletic events so that postseason college games for the benefit of non-profit hospitals are covered (H.R. 8854): A. F. Dudley, president, Liberty Bowl Charities, Inc., Philadelphia, Pa.....	1205

	Page in hearings
1. General admissions—Continued	
(c) <i>Miscellaneous</i> —Continued	
(4) The admissions tax for racetracks should be the same as on other forms of amusement or entertainment (same rate and same exemptions):	
(i) Devereux Milburn, counsel, Thoroughbred Racing Associations, exhibit A-----	1254
(ii) Franklin E. Devlin, president, Harness Tracks of America-----	1264
2. Cabaret taxes:	
(a) <i>Repeal the cabaret tax:</i>	
(1) Hon. Thomas M. Pelly, Representative in Congress from the State of Washington-----	1208
(2) Hon. Clement J. Zablocki, Representative in Congress from the State of Wisconsin-----	1209
(3) Arthur J. Packard, chairman, Governmental Affairs Committee, American Hotel & Motel Association--	1211
(4) A. W. Zelomack, American Federation of Musicians AFL-CIO-----	1216
(5) Ira H. Nunn, legislative counsel, National Restaurant Association-----	1220
(6) Robert Zanville, Restaurant Beverage Association of Washington, D.C., and National Licensed Beverage Association-----	1226
(b) <i>Consider enactment of statutory guidelines for distinguishing between ballrooms and cabarets; certain tests proposed in exhibit C on page 1243:</i>	
National Ballroom Operators Association, Donald J. Brown, general counsel-----	1231

III. COMMUNICATIONS

1. Telephone taxes:	
(a) <i>Recommends H.R. 8166, which provides a gradual reduction in the rates of telephone taxes of 2 percent each year; complete elimination in 5 years:</i>	
Hon. H. Allen Smith, Representative in Congress from the State of California-----	1083
(b) <i>Recommends repeal of telephone taxes:</i>	
(1) Hon. Leonor K. Sullivan, Representative in Congress from the State of Missouri-----	346
(2) Hon. H. Allen Smith, Representative in Congress from the State of California-----	1083
(3) Alexander L. Stott, vice president, American Telephone & Telegraph Co-----	1085
(4) William C. Mott, executive vice president, United States Independent Telephone Association-----	1103
(5) David C. Fullarton, executive manager, National Telephone Cooperative Association-----	1119
(6) Hon. Walter S. Baring, Representative in Congress from the State of Nevada-----	1121
(7) Joseph A. Beirne, president, Communications Workers of America, AFL-CIO-----	1122
(8) J. D. Orchard, president, Nevada Telephone Association-----	1123
(9) H. R. Wilbourn, Jr., president, Allied Telephone Co., Little Rock, Ark-----	1124
(10) National Association of Railroad & Utilities Commissioners, Everette Kreeger, secretary-----	1129
(11) Hon. Clement J. Zablocki, Representative in Congress from the State of Wisconsin-----	1209
2. Telegrams:	
<i>Exempt from tax:</i>	
(1) G. Stewart Paul, vice president and director, Western Union Telegraph Co-----	1124
(2) Commercial Telegraphers' Union, E. L. Hageman, international president-----	1128
(3) National Association of Railroad & Utilities Commissioners, Everette Kreeger, secretary-----	1129

	Page in hearings
3. Wire and equipment:	
(a) <i>Repeal the tax:</i>	
(1) John J. Mitchell, Twin Coast Newspapers, Inc.....	1130
(2) Francis J. Hughes, general counsel, Association of Stock Exchange Firms.....	1160
(b) <i>Reduce the tax from 8 percent to 3 percent:</i>	
(1) G. Keith Funston, president, New York Stock Ex- change.....	1158
(2) John R. Haire, chairman, Federal Taxation Commit- tee, Investment Bankers Association of America.....	1160
(c) <i>Exempt from the wire and equipment tax background music service transmitted by wire:</i>	
(1) Charles C. Cowley, president, Muzak, a division of Wrather Corp.....	1138
(2) Emerson A. Alburty, president and general manager, Business Music Corp., Memphis, Tenn.....	1141
(d) <i>Exempt burglar and fire alarm equipment from the wire and equipment tax:</i>	
Malcolm Goldstone, president, Owl Protective Co., Inc., National Burglar & Fire Alarm Association, Central Station Electrical Protection Association, and Central Office Alarm Co., Inc.....	1151
(e) <i>Remove the tax on radio common carrier services:</i>	
Boyd King, director, National Mobile Radio System.....	1162
(f) <i>Amend the law so that the microwave relay service for community antenna television is not taxable as wire mileage for the period 1959-62:</i>	
Robert D. L'Heureux, general counsel, National Com- munity Television Association, Inc.....	1155
4. <i>Repeal of all communications taxes:</i>	
(1) Hon. Abraham J. Multer, Representative in Congress from the State of New York.....	175
(2) Godfrey A. Stamm, managing director, Broadway Association, Inc.....	234
(3) Chicago Association of Commerce and Industry, Herbert V. Prochnow, president.....	236

IV. TRANSPORTATION

1. <i>Repeal the tax:</i>	
(a) Hon. Abraham J. Multer, Representative in Congress from the State of New York.....	175
(b) Godfrey A. Stamm, managing director, Broadway Associa- tion, Inc.....	234
(c) Hon. Clement J. Zablocki, Representative in Congress from the State of Wisconsin.....	1209
2. <i>Include steamship travel with air travel as part of uninterrupted inter- national transportation for tax purposes and extend the time limit for connecting transportation from 6 to 12 hours:</i>	
(a) Hon. John M. Murphy, Representative in Congress from the State of New York.....	1163
(b) Pacific American Steamship Association, John M. Thurman, vice president (submitted proposed amendment).....	1164
(c) American Merchant Marine Institute, Inc., Alvin Shapiro, vice president.....	1165

V. OCCUPATIONAL TAXES—BOWLING ALLEYS, ETC.

<i>Repeal the tax:</i>	
C. E. Goldberg, chairman, executive committee, Bowling Proprietors Association of America.....	802

E. RECOMMENDATION FOR ALCOHOLIC BEVERAGE TAXES

Page in hearings

1. Beer:		
(a)	<i>In July of 1965, cut the beer tax to the pre-Korean rate of \$8 a barrel and, as soon as possible thereafter, reduce the rate to the 1940 tax rate of \$6 a barrel. Allow the tax to be paid on the basis of the brewers' records in the same way that income taxes and manufacturers' taxes are paid:</i>	
	Clinton M. Hester, counsel, United States Brewers Association.....	981
(b)	<i>Reduce the tax on beer to \$6 a barrel:</i>	
	Russell H. Hopkins, executive manager, National Beer Wholesalers' Association of America.....	995
(c)	<i>Grant a tax reduction of \$2 a barrel for the first 100,000 barrels per brewery:</i>	
	(1) Thomas E. O'Neill, attorney, Brewers' Association of America.....	1004
	(2) Mr. Clinton M. Hester opposes this recommendation.....	981
2. Wine:		
	<i>Reduce the tax on natural sparkling wines from \$3.40 to \$1 per gallon and on artificially carbonated from \$2.40 to 50 cents per gallon:</i>	
	(1) Grayton H. Taylor, chairman, Wine Conference of America.....	1030
	(2) National Association of Alcoholic Beverage Importers, Inc., John F. O'Connell, president.....	1056
3. Distilled spirits:		
	<i>For a minimum, cut the distilled spirits tax to the pre-Korean rate of \$9 per proof gallon and eventually reduce the tax to \$6.</i>	
	(1) Tax Council of the Alcoholic Beverage Industries, Charles W. Bryant, executive director.....	1042
	(2) National Association of Alcoholic Beverage Importers, Inc., John F. O'Connell, president.....	1056
	(3) Distillery, Rectifying, Wine & Allied Workers' International Union of America, Nathan P. Voloshen, legislative representative.....	1060
4. Cider:		
	<i>Exempt sparkling cider from tax (wine rates now apply):</i>	
	(1) Monsieur Henri Wines, Ltd., Brooklyn, N.Y., Herbert Feinberg, vice president.....	1057
	(2) British-American Chamber of Commerce, A. P. Spooner, general manager.....	1058

F. RECOMMENDATIONS FOR TOBACCO TAXES—CIGARS

Change from the bracket system to a manufacturers tax of 8 percent with a maximum rate of \$20 per thousand:

(1)	Leon Singer, counsel, Cigar Manufacturers Association of America.....	1065
(2)	Clarence M. Weiner, economist, Cigar Manufacturers Association of America.....	1068

G. GENERAL EXCISE TAX RECOMMENDATIONS

1. Eliminate selective excise taxes:		
(a)	Joel Barlow, chairman, Committee on Taxation, Chamber of Commerce of the United States.....	123f
(b)	Lewis D. Spencer, Federal Excise Tax Council.....	195
(c)	John W. Overholser, Montrose, Colo.....	369
(d)	International Union of United Brewery, Flour, Cereal, Soft Drink & Distillery Workers of America, Arthur P. Gildea, secretary-treasurer.....	1064
(e)	Frazar B. Wilde, chairman, Tax Subcommittee, Committee for Economic Development.....	222

	Page in hearings
2. <i>Value added tax:</i>	
(a) Value added tax should be substituted for the corporate income tax:	
(1) Joel Barlow, chairman, Committee on Taxation, Chamber of Commerce of the United States.....	123f
(2) Maurice E. Peloubet, American Economic Foundation.....	152
(b) Study value added tax:	
Frazar B. Wilde, chairman, Tax Subcommittee, Committee for Economic Development.....	222
(c) Excise tax cuts should not be used as justification for a value added tax:	
Nathaniel Goldfinger, director, Department of Research, American Federation of Labor & Congress of Industrial Organizations.....	178
3. <i>Replace the selective excises with a low rate uniform excise tax:</i>	
(a) Advocates:	
Joel Barlow, chairman, Committee on Taxation, Chamber of Commerce of the United States.....	123f
(b) Opposes:	
Nathaniel Goldfinger, director, Department of Research, American Federation of Labor & Congress of Industrial Organizations.....	178
4. <i>Miscellaneous:</i>	
(a) Nathaniel Goldfinger, director, Department of Research, American Federation of Labor & Congress of Industrial Organizations.....	178
(1) Excise tax reduction should be designed to diminish the regressive impact and reduce administrative problems	
(2) Committee should make clear its intent that tax cuts be passed on to the consumer.	
(b) Lewis D. Spencer, Federal Excise Tax Council.....	195
(1) To reduce all ad valorem excises to a uniform rate.	
(2) Eliminate the burden of proof requirement of section 6416(a)(1) when the tax is not separately stated.	
(3) Provide a credit for sales which become wholly or partially uncollectible.	
(4) Adopt a provision clarifying the problem of combination sales and uses.	
(5) To clarify the statute of limitations in section 6501 by defining what constitutes filing of a return.	
(c) Arnold J. Hoffman, attorney, New York, N.Y.....	405
Modify the requirements for bringing legal action on Federal excise tax matters.	
(d) William H. Bulkeley, president, National Social Welfare Assembly, Inc.....	396
Grant excise tax exemption to all organizations exempt under sections 501(a) and 501(c)(3).	
(e) Donald Cordes, vice chairman, Council on Government Relations, American Hospital Association.....	400
To exempt all nonprofit hospitals.	
(f) Leslie C. Hackler, Jr., tax counsel, Gibson Discount Co., Dallas Tex.....	354
(1) If repeal not favorable, replace the retail taxes with manufacturers' taxes;	
(2) Give the Tax Court jurisdiction to hear excise cases; or	
(3) Let the U.S. district courts hear tax cases without the tax being paid first.	