

Public Law 86-418

AN ACT

April 8, 1960
[H. R. 8318]

To amend the Internal Revenue Code of 1954 to exempt bicycle tires and tubes used in the manufacture or production of new bicycles from the manufacturers excise tax on tires and tubes.

Taxes.
Bicycle tires and
tubes.
72 Stat. 1283.
26 USC 4221.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4221 (e) of the Internal Revenue Code of 1954 (special rules relating to certain tax-free sales) is amended by adding at the end thereof the following new paragraph:

“(4) BICYCLE TIRES OR TUBES SOLD TO BICYCLE MANUFACTURER.—

“(A) IN GENERAL.—Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed under section 4071 on the sale of a bicycle tire (or an inner tube for such a tire) by the manufacturer thereof if such tire or tube is sold for use by the purchaser as material in the manufacture or production of, or as a component part of, a bicycle (other than a rebuilt or reconditioned bicycle).

“(B) BICYCLE TIRE DEFINED.—As used in this paragraph the term ‘bicycle tire’ means a tire, composed of rubber in combination with fabric or other reinforcing element, which is not more than 28 inches in outer diameter and not more than 2¼ inches in cross section and which is primarily designed or adapted for use on bicycles.

“(C) PROOF.—Where a bicycle tire or tube has been sold free of tax under this paragraph, this paragraph shall cease to apply unless, within the 6-month period which begins on the date of the sale by him (or, if earlier, on the date of shipment by him), the manufacturer of such bicycle tire or tube receives proof that the tire or tube has been used in the manner described in subparagraph (A).”

26 USC 4071.

26 USC 4218.

SEC. 2. (a) Section 4218 of the Internal Revenue Code of 1954 (relating to use by manufacturer or importer considered sale) is amended—

(1) by striking out “subsection (b) or (c)” in subsection (a) and inserting in lieu thereof “subsection (b), (c), or (d)”;

(2) by striking out “If any” in subsection (b) and inserting in lieu thereof “Except as provided in subsection (d), if any”; and

(3) by redesignating subsection (d) as subsection (e) and inserting after subsection (c) the following new subsection:

“(d) BICYCLE TIRES AND TUBES.—If any person manufactures, produces, or imports a bicycle tire (as defined in section 4221 (e) (4) (B)) or an inner tube for such a tire, and uses it (otherwise than as material in the manufacture or production of, or as a component part of, a bicycle, other than a rebuilt or reconditioned bicycle, to be manufactured or produced by him), then he shall be liable for tax under this chapter in the same manner as if such article were sold by him.”

26 USC 4223.

(b) Section 4223 (b) (1) of such Code (relating to computation of tax in the case of further manufacture) is amended by striking out “section 4218 (d)” and inserting in lieu thereof “section 4218 (e)”.

26 USC 6416.

SEC. 3. (a) Paragraph (2) (E) of section 6416 (b) of the Internal Revenue Code (relating to special cases in which taxpayments are considered overpayments) is amended by striking out “subparagraph (A) or (B)” and inserting in lieu thereof “subparagraph (A), (B), or (E)”.

(b) Paragraph (3) of such section 6416(b) is amended—

(1) by striking out “subparagraph (B), (C), or (D)” in subparagraph (A) and inserting in lieu thereof “subparagraph (B), (C), (D), or (E)”;

(2) by striking out “or” at the end of subparagraph (C), by striking out the period at the end of subparagraph (D) and inserting in lieu thereof “; or”, and by inserting after subparagraph (D) the following new subparagraph:

“(E) in the case of—

“(i) a bicycle tire (as defined in section 4221(e) (4)

(B)), or

“(ii) an inner tube for such a tire,

such article is used by the second manufacturer or producer as material in the manufacture or production of, or as a component part of, a bicycle (other than a rebuilt or reconditioned bicycle).”

SEC. 4. The amendments made by this Act shall apply only with respect to bicycle tires and tubes sold by the manufacturer, producer, or importer thereof on or after the first day of the first month which begins more than 10 days after the date of the enactment of this Act.

Effective date.

Approved April 8, 1960.

[For additional Public Law approved on April 8, 1960, see Public Law 86-422 on page 41.]

Public Law 86-419

AN ACT

April 9, 1960
[H. R. 4874]

To amend section 334 of the Agricultural Adjustment Act of 1938, as amended, to provide that for certain purposes of this section, farms on which the farm marketing excess of wheat is adjusted to zero because of underproduction shall be regarded as farms on which the entire amount of the farm marketing excess of wheat has been delivered to the Secretary or stored to avoid or postpone the payment of the penalty.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 334 of the Agricultural Adjustment Act of 1938, as amended, is further amended by inserting a new subsection (d) between subsections (c) and (e) to read as follows:

Wheat.
56 Stat. 52; 72
Stat. 996.
7 USC 1334.

“(d) For the purposes of subsections (a), (b), and (c) of this section, any farm—

“(1) to which a wheat marketing quota is applicable; and

“(2) on which the acreage planted to wheat exceeds the farm wheat acreage allotment; and

“(3) on which the marketing excess is zero

shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty. This subsection shall be applicable in establishing the acreage seeded and diverted and the past acreage of wheat for 1959 and subsequent years in the apportionment of allotments beginning with the 1961 crop of wheat. For the purpose of clause (1) of this subsection, a farm with respect to which an exemption has been granted under section 335(f) for any year shall not be regarded as a farm to which a wheat marketing quota is applicable for such year, even though such exemption should become null and void because of a violation of the conditions of the exemption.”

7 USC 1335.

Approved April 9, 1960.