

(31 U.S.C., sec. 757b), is amended to read as follows: "The face amount of obligations issued under authority of this Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), shall not exceed in the aggregate \$285,000,000,000 outstanding at any one time."

72 Stat. 1758.

SEC. 2. During the period beginning on July 1, 1959, and ending on June 30, 1960, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended, shall be temporarily increased by \$10,000,000,000.

SEC. 3. This Act may be cited as the "Public Debt Act of 1959".

Short title.

Approved June 30, 1959.

Public Law 86-75

AN ACT

To provide a one-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and for other purposes.

June 30, 1959
[H. R. 7523]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Tax Rate Extension Act of 1959".

Tax Rate Extension Act of 1959.

SEC. 2. ONE-YEAR EXTENSION OF CORPORATE NORMAL-TAX RATE.

Section 11(b) (relating to corporate normal tax), section 821(a) (1)(A) (relating to mutual insurance companies other than interinsurers), and section 821(b) (1) (relating to interinsurers) of the Internal Revenue Code of 1954 are amended as follows:

72 Stat. 259.
26 USC 11, 821.

- (1) by striking out "JULY 1, 1959" each place it appears and inserting in lieu thereof "JULY 1, 1960";
- (2) by striking out "July 1, 1959" each place it appears and inserting in lieu thereof "July 1, 1960";
- (3) by striking out "JUNE 30, 1959" each place it appears and inserting in lieu thereof "JUNE 30, 1960";
- (4) by striking out "June 30, 1959" each place it appears and inserting in lieu thereof "June 30, 1960".

SEC. 3. ONE-YEAR EXTENSION OF CERTAIN EXCISE TAX RATES.

(a) EXTENSION OF RATES.—The following provisions of the Internal Revenue Code of 1954 are amended by striking out "July 1, 1959" each place it appears and inserting in lieu thereof "July 1, 1960"—

26 USC 4061-5071, passim.

- (1) section 4061 (relating to motor vehicles);
- (2) section 5001(a) (1) (relating to distilled spirits);
- (3) section 5001(a) (3) (relating to imported perfumes containing distilled spirits);
- (4) section 5022 (relating to cordials and liqueurs containing wine);
- (5) section 5041(b) (relating to wines);
- (6) section 5051(a) (relating to beer); and
- (7) section 5701(c) (1) (relating to cigarettes).

(b) TECHNICAL AMENDMENTS.—The following provisions of the Internal Revenue Code of 1954 are amended as follows:

26 USC 5063.

- (1) Section 5063 (relating to floor stocks refunds on distilled spirits, wines, cordials, and beer) is amended by striking out "July 1, 1959" each place it appears and inserting in lieu thereof "July 1, 1960", and by striking out "October 1, 1959" and inserting in lieu thereof "October 1, 1960".

26 USC 5707.

(2) Subsections (a) and (b) of section 5707 (relating to floor stocks refunds on cigarettes) are amended by striking out "July 1, 1959" each place it appears and inserting in lieu thereof "July 1, 1960", and by striking out "October 1, 1959" and inserting in lieu thereof "October 1, 1960".

26 USC 6412.

(3) Section 6412(a)(1) (relating to floor stocks refunds on automobiles) is amended by striking out "July 1, 1959" each place it appears and inserting in lieu thereof "July 1, 1960", by striking out "October 1, 1959" and inserting in lieu thereof "October 1, 1960", and by striking out "November 10, 1959" each place it appears and inserting in lieu thereof "November 10, 1960".

72 Stat. 260.

Section 497 of the Revenue Act of 1951 (relating to refunds on articles from foreign trade zones), as amended, is amended by striking out "July 1, 1959" each place it appears and inserting in lieu thereof "July 1, 1960".

72 Stat. 1313.

26 USC 5001-5692.

(c) APPLICATION.—For purposes of this section, references to provisions in chapter 51 of the Internal Revenue Code of 1954 are references to such provisions as contained in such chapter as amended by section 201 of the Excise Tax Technical Changes Act of 1958.

SEC. 4. REDUCTION OF TAX ON TRANSPORTATION OF PERSONS, EFFECTIVE JULY 1, 1960.

68A Stat. 506.
26 USC 4261.

Section 4261 of the Internal Revenue Code of 1954 (relating to tax on transportation of persons) is amended by striking out "to 10 percent of the amount so paid." each place it appears therein and inserting in lieu thereof the following: "to—

"(1) 10 percent of the amount so paid before July 1, 1960; or

"(2) 5 percent of the amount so paid on or after July 1, 1960."

SEC. 5. TERMINATION OF TAX ON GENERAL TELEPHONE SERVICE, EFFECTIVE JULY 1, 1960.

72 Stat. 1289.
26 USC 4251.

Section 4251 of the Internal Revenue Code of 1954 (relating to tax on communications) is amended—

(1) by inserting "(a) IN GENERAL.—" at the beginning of the text of such section; and

(2) by adding at the end thereof the following new subsection:

"(b) TERMINATION OF TAX ON GENERAL TELEPHONE SERVICE.—

"(1) IN GENERAL.—Effective as provided in paragraph (2), the tax imposed by this section on amounts paid for general telephone service shall cease to apply.

"(2) EFFECTIVE DATE.—

"(A) Subject to the provisions of subparagraph (B), paragraph (1) shall apply with respect to amounts paid on or after July 1, 1960, for services rendered on or after such date.

"(B) Paragraph (1) shall not apply with respect to amounts paid pursuant to bills rendered before July 1, 1960. In the case of amounts paid pursuant to bills rendered on or after such date for services for which no previous bill was rendered, paragraph (1) shall apply except with respect to such services as were rendered more than 2 months before such date. Paragraph (1) shall not apply with respect to amounts paid for services rendered more than 2 months before such date."

Approved June 30, 1959.