"(i) overpayments of tax made by such transferee or fiduciary, or

"(ii) overpayments of tax made by the transferor of which the transferee or fiduciary is legally entitled to credit or refund,

the agreement referred to in subparagraph (A) and any extension thereof shall be deemed an agreement and extension thereof referred to in section 322 (b) (3).

"(C) If the agreement referred to in subparagraph (A) is executed after the expiration of the period of limitation for assessment against the taxpayer with reference to whom the liability of such transferee or fiduciary arises, then, in applying the limitations under section 322 (b) (3) on the amount of the credit or refund, the periods specified in section 322 (b) (3) shall be increased by the period from the date of such expiration to the date of the agreement."

Effective date.

SEC. 2. This Act shall be effective in all circumstances in which it would have been effective if it had been enacted on August 17, 1954.

Approved January 28, 1956.

Public Law 398 CHAPTER 17

January 28, 1956
[H. R. 7036]

AN ACT

To amend section 37 of the Internal Revenue Code of 1954 with respect to the earned income limitation on retirement income.

Retirement income-tax credit.
68A Stat. 15.
26 USC 37.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 37 (d) (2) of the Internal Revenue Code of 1954 (relating to limitation on retirement income) is hereby amended to read as follows:

"(2) in the case of any individual who has not attained the age of 72 before the close of the taxable year, any amount of earned income (as defined in subsection (g))—

"(A) in excess of $900 received by the individual in the taxable year if such individual has not attained the age of 65 before the close of the taxable year, or

"(B) in excess of $1,200 received by the individual in the taxable year if such individual has attained the age of 65 before the close of the taxable year."

Effective date.

SEC. 2. The amendment made by the first section of this Act shall apply only with respect to taxable years beginning after December 31, 1955.

Approved January 28, 1956.

Public Law 399 CHAPTER 18

January 28, 1956
[H. R. 7282]

AN ACT

Relating to the allowance of the credits for dividends received, for dividends paid, and for a Western Hemisphere trade corporation in computing the alternative tax of a corporation with respect to its capital gains.

65 Stat. 470.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 117 (c) (1) (A) of the Internal Revenue Code of 1939 is hereby amended by inserting after the word "reduced" the following: "(except for the purposes of determining the credits allowable under subsections (b), (h), and (i) of section 26)".

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SEC. 2. The amendment made by section 1 shall be applicable with respect to taxable years beginning after December 31, 1951, and before January 1, 1954. No interest shall be allowed or paid on any overpayment resulting from such amendment.

Effective date.

Approved January 28, 1956.

Public Law 400 CHAPTER 19

AN ACT

January 28, 1956
[H. R. 7364]

Relating to the application of the documentary stamp tax to transfers of certain obligations paid for in installments.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That effective as of January 1, 1955, section 4332 of the Internal Revenue Code of 1954 (relating to exemption from tax on sales or transfers of certificates of indebtedness) is hereby amended by relettering subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

Documentary stamp tax.
68A Stat. 516.
26 USC 4332.

"(b) INSTALLMENT PURCHASE OF OBLIGATIONS.—The tax imposed by section 4331 shall not apply to any instrument under the terms of which the obligee is required to make payment therefor in installments and is not permitted to make in any year a payment of more than 20 percent of the cash amount to which entitled upon maturity of the instrument."

68A Stat. 516.
26 USC 4331.

Approved January 28, 1956.

Public Law 401 CHAPTER 27

JOINT RESOLUTION

January 31, 1956
[S. J. Res. 12]

To request the Secretary of State to arrange for the International Joint Commission, United States and Canada, to conduct a survey of the proposed Passamaquoddy tidal power project, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the International Joint Commission created by the treaty between the United States and Great Britain relating to boundary waters between the United States and Canada, signed at Washington on January 11, 1909, under the provisions of such treaty, be requested by the Secretary of State to arrange for a final survey to be made to determine the cost of construction of the proposed Passamaquoddy tidal power project at Passamaquoddy Bay in the State of Maine, United States of America, and the Province of New Brunswick, Dominion of Canada, and to determine whether or not such cost would allow hydroelectric power to be produced at a price that is economically feasible, and also to determine what contribution such project would make to the national economy and the national defense.

Passamaquoddy tidal power project.
Survey.
36 Stat. 2448.

SEC. 2. The survey provided for in the first section shall make use of the report (dated March 15, 1950) made by the International Passamaquoddy Engineering Board to the International Joint Commission, and with the supplemental report (dated May 1952) on details of estimate of cost of comprehensive investigation of Passamaquoddy tidal power project by Corps of Engineers, United States Army.

SEC. 3. The Secretary of the Army, the Federal Power Commission, and other officers and agencies of the Government of the United States are authorized to assist the International Joint Commission

Agency assistance.