

purchase by it of any article if such State or local government complies with such regulations relating to the use of exemption certificates in lieu of registration as the Secretary shall prescribe to carry out the purpose of this paragraph.

(2) Under regulations

Subject to such regulations as the Secretary may prescribe for the purpose of this paragraph, the Secretary may relieve the purchaser or the second purchaser, or both, from the requirement of registering under this section.

(3) Certain purchases and sales by the United States

Subsection (a) shall apply to purchases and sales by the United States only to the extent provided by regulations prescribed by the Secretary.

[(4) Repealed. Pub. L. 89-44, title II, §208(e), June 21, 1965, 79 Stat. 141]

(5) Supplies for vessels or aircraft

Subsection (a) shall not apply to a sale of an article for use by the purchaser as supplies for any vessel or aircraft if such purchaser complies with such regulations relating to the use of exemption certificates in lieu of registration as the Secretary shall prescribe to carry out the purpose of this paragraph.

(c) Denial, revocation, or suspension of registration

Under regulations prescribed by the Secretary, the registration of any person under this section may be denied, revoked, or suspended if the Secretary determines—

(1) that such person has used such registration to avoid the payment of any tax imposed by this chapter, or to postpone or in any manner to interfere with the collection of any such tax, or

(2) that such denial, revocation, or suspension is necessary to protect the revenue.

The denial, revocation, or suspension under this subsection shall be in addition to any penalty provided by law for any act or failure to act.

(d) Registration in the case of certain other exemptions

The provisions of this section may be extended to, and made applicable with respect to, the exemptions provided by sections 4001(c), 4001(d), 4053(6), 4064(b)(1)(C), 4101, and 4182(b), and the exemptions authorized under section 4293 in respect of the taxes imposed by this chapter, to the extent provided by regulations prescribed by the Secretary.

(e) Definitions

Terms used in this section which are defined in section 4221(d) shall have the meaning given to them by section 4221(d).

(Added Pub. L. 85-859, title I, §119(a), Sept. 2, 1958, 72 Stat. 1284; amended Pub. L. 89-44, title II, §208(e), title VIII, §802(c), June 21, 1965, 79 Stat. 141, 159; Pub. L. 92-178, title IV, §401(a)(3)(B), Dec. 10, 1971, 85 Stat. 531; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90

Stat. 1834; Pub. L. 95-600, title VII, §701(ff)(2)(B), Nov. 6, 1978, 92 Stat. 2925; Pub. L. 95-618, title II, §§201(e), 231(f)(2), Nov. 9, 1978, 92 Stat. 3184, 3189; Pub. L. 97-424, title V, §515(b)(2), Jan. 6, 1983, 96 Stat. 2181; Pub. L. 98-369, div. A, title VII, §735(c)(9), July 18, 1984, 98 Stat. 983; Pub. L. 100-647, title I, §1017(c)(16), Nov. 10, 1988, 102 Stat. 3577; Pub. L. 101-508, title XI, §§11212(b)(2), 11221(d)(3), Nov. 5, 1990, 104 Stat. 1388-431, 1388-444; Pub. L. 103-66, title XIII, §13161(b)(2), Aug. 10, 1993, 107 Stat. 452; Pub. L. 105-34, title XIV, §1431(a), Aug. 5, 1997, 111 Stat. 1050; Pub. L. 105-206, title VI, §6023(17), July 22, 1998, 112 Stat. 825.)

PRIOR PROVISIONS

A prior section 4222, act Aug. 16, 1954, ch. 736, 68 Stat. 495, related to exemption from tax of certain supplies for vessels and airplanes, prior to repeal by Pub. L. 85-859, §119(a). See section 4221 of this title.

AMENDMENTS

1998—Subsec. (d). Pub. L. 105-206 substituted “4053(6)” for “4053(a)(6)”.

1997—Subsec. (b)(2). Pub. L. 105-34 substituted “Under regulations” for “Export” in heading and struck out “in the case of any sale or resale for export,” after “this paragraph,” in text.

1993—Subsec. (d). Pub. L. 103-66 substituted “4001(d)” for “4002(b), 4003(c), 4004(a)”.

1990—Subsec. (c). Pub. L. 101-508, §11212(b)(2), substituted “Denial, revocation, or suspension” for “Revocation or suspension” in heading, “denied, revoked, or suspended” for “revoked or suspended” in introductory provisions, and “denial, revocation, or suspension” for “revocation or suspension” in par. (2) and concluding provisions.

Subsec. (d). Pub. L. 101-508, §11221(d)(3), substituted “sections 4001(c), 4002(b), 4003(c), 4004(a), 4053(a)(6)” for “sections 4053(a)(6)”.

1988—Subsec. (d). Pub. L. 100-647 substituted “4101” for “4083”.

1984—Subsec. (d). Pub. L. 98-369 substituted “4053(a)(6)” for “4063(a)(7), 4063(b), 4063(e)”.

1983—Subsec. (d). Pub. L. 97-424 struck out “4093,” after “4083.”

1978—Subsec. (d). Pub. L. 95-618 substituted “4063(a)(7), 4063(b), 4064(b)(1)(C),” for “4063(a)(6) and (7), 4063(b),”.

Pub. L. 95-600 substituted “4063(b), 4063(e),” for “4063(b),”.

1976—Subsecs. (a) to (d). Pub. L. 94-455 struck out “or his delegate” after “Secretary” wherever appearing.

1971—Subsec. (d). Pub. L. 92-178 inserted reference to section 4063(a)(6) and (7).

1965—Subsec. (b)(4). Pub. L. 89-44, §208(e), struck out par. (4) which related to mechanical pencils, fountain pens, and ball point pens.

Subsec. (b)(5). Pub. L. 89-44, §802(c), added par. (5).

EFFECTIVE DATE OF 1997 AMENDMENT

Section 1431(b) of Pub. L. 105-34 provided that: “The amendments made by subsection (a) [amending this section] shall take effect on the date of the enactment of this Act [Aug. 5, 1997].”

EFFECTIVE DATE OF 1993 AMENDMENT

Amendment by Pub. L. 103-66 effective Jan. 1, 1993, see section 13161(c) of Pub. L. 103-66, set out as a note under section 4001 of this title.

EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by section 11212(b)(2) of Pub. L. 101-508 effective Dec. 1, 1990, see section 11212(f)(2) of Pub. L. 101-508, set out as a note under section 4081 of this title.

Amendment by section 11221(d)(3) of Pub. L. 101-508 effective Jan. 1, 1991, with exception for contract bind-

ing on Sept. 30, 1990, and at all times thereafter, see section 11221(f) of Pub. L. 101-508, set out as an Effective Date note under section 4001 of this title.

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-647 effective, except as otherwise provided, as if included in the provision of the Tax Reform Act of 1986, Pub. L. 99-514, to which such amendment relates, see section 1019(a) of Pub. L. 100-647, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-369 effective, except as otherwise provided, as if included in the provisions of the Highway Revenue Act of 1982, title V of Pub. L. 97-424, to which such amendment relates, see section 736 of Pub. L. 98-369, set out as a note under section 4051 of this title.

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 97-424 applicable to articles sold after Jan. 6, 1983, see section 515(c) of Pub. L. 97-424, set out as a note under section 34 of this title.

EFFECTIVE DATE OF 1978 AMENDMENTS

Amendment by section 201(e) of Pub. L. 95-618 applicable with respect to 1980 and later model year automobiles, see section 201(g) of Pub. L. 95-618, set out as an Effective Date note under section 4064 of this title.

Section 231(g) of Pub. L. 95-618 provided that:

“(1) The amendments made by subsections (a) and (f) [amending this section and sections 4063 and 6412 of this title] shall apply with respect to articles sold after the date of the enactment of this Act [Nov. 9, 1978].

“(2) For purposes of paragraph (1), an article shall not be considered sold on or before the date of the enactment of this Act [Nov. 9, 1978] unless possession or right to possession passes to the purchaser on or before such date.

“(3) In the case of—

“(A) a lease,

“(B) a contract for the sale of an article providing that the price shall be paid by installments and title to the article sold does not pass until a future date notwithstanding partial payment by installments,

“(C) a conditional sale, or

“(D) a chattel mortgage arrangement providing that the sale price shall be paid in installments, entered into on or before the date of the enactment of this Act [Nov. 9, 1978], payments made after such date with respect to the article leased or sold shall, for purposes of this subsection, be considered as payments made with respect to an article sold after such date, if the lessor or vendor establishes that the amount of payments payable after such date with respect to such article has been reduced by an amount equal to that portion of the tax applicable with respect to the lease or sale of such article which is due and payable after such date. If the lessor or vendor does not establish that the payments have been so reduced, they shall be treated as payments made in respect of an article sold on or before the date of the enactment of this Act.”

Amendment by Pub. L. 95-600 effective on first day of first calendar month beginning more than 20 days after Nov. 6, 1978, see section 701(ff)(3) of Pub. L. 95-600, set out as a note under section 4221 of this title.

EFFECTIVE DATE OF 1971 AMENDMENT

Amendment by Pub. L. 92-178 applicable with respect to articles sold on or after the day after Dec. 10, 1971, see section 401(h)(1) of Pub. L. 92-178, set out as a note under section 4071 of this title.

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment by section 208(e) of Pub. L. 89-44 applicable with respect to articles sold on or after June 22, 1965, except insofar as such amendments related to the taxes imposed by sections 4061(b), 4091, and 4131 and, as

to such taxes, applicable with respect to articles sold on or after January 1, 1966, see section 701(a) of Pub. L. 89-44, set out as a note under section 4161 of this title.

Amendment by section 802(c) of Pub. L. 89-44 applicable with respect to articles sold on or after July 1, 1965, see section 802(d)(1) of Pub. L. 89-44, set out as a note under section 4082 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 4052, 4101 of this title.

§ 4223. Special rules relating to further manufacture

(a) Purchasing manufacturer to be treated as the manufacturer

For purposes of this chapter, a manufacturer or producer to whom an article is sold or resold free of tax under section 4221(a)(1) for use by him in further manufacture shall be treated as the manufacturer or producer of such article.

(b) Computation of tax

If the manufacturer or producer referred to in subsection (a) incurs liability for tax under this chapter on his sale or use of an article referred to in subsection (a) and the tax is based on the price for which the article is sold, the article shall be treated as having been sold by him—

(1) at the price for which the article was sold by him (or, where the tax is on his use of the article, at the price referred to in section 4218(c)); or

(2) if he so elects and establishes such price to the satisfaction of the Secretary—

(A) at the price for which the article was sold to him; or

(B) at the price for which the article was sold by the person who (without regard to subsection (a)) is the manufacturer, producer, or importer of such article.

For purposes of this subsection, the price for which the article was sold shall be determined as provided in section 4216. For purposes of paragraph (2) no adjustment or readjustment shall be made in such price by reason of any discount, rebate, allowance, return or repossession of a container or covering, or otherwise. An election under paragraph (2) shall be made in the return reporting the tax applicable to the sale or use of the article, and may not be revoked.

(Added Pub. L. 85-859, title I, §119(a), Sept. 2, 1958, 72 Stat. 1285; amended Pub. L. 86-418, §2(b), Apr. 8, 1960, 74 Stat. 38; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 98-369, div. A, title VII, §735(c)(10), July 18, 1984, 98 Stat. 983.)

PRIOR PROVISIONS

A prior section 4223, act Aug. 16, 1954, ch. 736, 68A Stat. 495, related to exemption of articles manufactured or produced by Indians, prior to repeal by Pub. L. 85-859, §119(a). See section 4225 of this title.

AMENDMENTS

1984—Subsec. (b)(1). Pub. L. 98-369 substituted “4218(c)” for “section 4218(e)”.

1976—Subsec. (b) Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

1960—Subsec. (b)(1). Pub. L. 86-418 substituted “section 4218(e)” for “section 4218(d)”.

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-369 effective, except as otherwise provided, as if included in the provisions of

the Highway Revenue Act of 1982, title V of Pub. L. 97-424, to which such amendment relates, see section 736 of Pub. L. 98-369, set out as a note under section 4051 of this title.

EFFECTIVE DATE OF 1960 AMENDMENT

Amendment by Pub. L. 86-418 applicable 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 April 8, 1960, see section 4 of Pub. L. 86-418, set out as a note under section 4221 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 4218, 6416 of this title.

[§ 4224. Repealed. Pub. L. 89-44, title I, § 101(b)(5), June 21, 1965, 79 Stat. 136]

Section, Pub. L. 85-859, title I, §119(a), Sept. 2, 1958, 72 Stat. 1286, exempted, with specified exemptions, articles taxable under section 4001 from the imposition of the manufacturers excise tax.

A prior section 4224, act Aug. 16, 1954, ch. 736, 68A Stat. 495, exempted articles for the exclusive use of any State, Territory, or political subdivision of either, or the District of Columbia, prior to repeal by Pub. L. 85-859, title I, §119(a), Sept. 2, 1958, 72 Stat. 1282.

EFFECTIVE DATE OF REPEAL

Repeal applicable with respect to articles sold on or after June 22, 1965, see section 701(a) of Pub. L. 89-44, set out as an Effective Date of 1965 Amendment note under section 4161 of this title.

§ 4225. Exemption of articles manufactured or produced by Indians

No tax shall be imposed under this chapter on any article of native Indian handicraft manufactured or produced by Indians on Indian reservations, or in Indian schools, or by Indians under the jurisdiction of the United States Government in Alaska.

(Added Pub. L. 85-859, title I, §119(a), Sept. 2, 1958, 72 Stat. 1286.)

PRIOR PROVISIONS

A prior section 4225, act Aug. 16, 1954, ch. 736, 68A Stat. 496, related to exemption for exports, prior to repeal by Pub. L. 85-859, §119(a). See section 4221 of this title.

ADMISSION OF ALASKA AS STATE

Admission of Alaska into the Union was accomplished Jan. 3, 1959, on issuance of Proc. No. 3269, Jan. 3, 1959, 24 F.R. 81, 73 Stat. c16, as required by sections 1 and 8(c) of Pub. L. 85-508, July 7, 1958, 72 Stat. 339, set out as notes preceding section 21 of Title 48, Territories and Insular Possessions.

[§ 4226. Repealed. Pub. L. 94-455, title XIX, § 1904(a)(4), Oct. 4, 1976, 90 Stat. 1811]

Section, added June 29, 1956, ch. 462, title II, §207(a), 70 Stat. 391; amended Sept. 21, 1959, Pub. L. 86-342, title II, §201(c)(1)-(3), 73 Stat. 614; June 29, 1961, Pub. L. 87-61, title II, §206(a), (b), 75 Stat. 127; Aug. 1, 1966, Pub. L. 89-523, §2, 80 Stat. 331, related to floor stocks taxes for 1956 on tires of the type used on highway vehicles, on tread rubber, on gasoline, for 1959 on gasoline, for 1961 on certain tires and inner tubes and tread rubber, provisions relating to overpayment of floor stocks taxes, due date for taxes, taxes on certain tires and tubes, and definitions of "dealer" and "held by a dealer".

A prior section 4226 of this title was renumbered section 4227.

§ 4227. Cross reference

For exception for a sale to an Indian tribal government (or its subdivision) for the exclusive use of an Indian tribal government (or its subdivision), see section 7871.

(Aug. 16, 1954, ch. 736, 68A Stat. 496, §4226; renumbered §4227, June 29, 1956, ch. 462, title II, §207(a), 70 Stat. 391; amended Pub. L. 89-44, title II, §208(f), June 21, 1965, 79 Stat. 141; Pub. L. 94-455, title XIX, §1904(a)(5), Oct. 4, 1976, 90 Stat. 1811; Pub. L. 97-473, title II, §202(b)(8), Jan. 14, 1983, 96 Stat. 2610; Pub. L. 98-369, div. A, title VII, §735(c)(11), July 18, 1984, 98 Stat. 983; Pub. L. 99-514, title XVIII, §1899A(49), Oct. 22, 1986, 100 Stat. 2961.)

AMENDMENTS

1986—Pub. L. 99-514 amended section generally, substituting "reference" for "references" in section catchline, struck out par. (1) designation, substituted "exception" for "exemption", and struck out par. (2) relating to cross reference to credit for taxes on tires.

1984—Par. (2). Pub. L. 98-369 struck out "and tubes" after "on tires".

1983—Pub. L. 97-473 designated existing provisions as par. (2) and added par. (1).

1976—Pub. L. 94-455 struck out pars. (1) and (3) relating to cross references to exemption from tax in case of certain sales to the United States and to administrative provisions of general applicability, respectively.

1965—Par. (2). Pub. L. 89-44 struck out "and automobile radio and television receiving sets," after "tires and inner tubes,".

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-369 effective, except as otherwise provided, as if included in the provisions of the Highway Revenue Act of 1982, title V of Pub. L. 97-424, to which such amendment relates, see section 736 of Pub. L. 98-369, set out as a note under section 4051 of this title.

EFFECTIVE DATE OF 1983 AMENDMENT

For effective date of amendment by Pub. L. 97-473, see section 204(5) of Pub. L. 97-473, set out as an Effective Date note under section 7871 of this title.

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by Pub. L. 94-455 effective on first day of first month which begins more than 90 days after Oct. 4, 1976, see section 1904(d) of Pub. L. 94-455, set out as a note under section 4041 of this title.

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment by Pub. L. 89-44 applicable with respect to articles sold on or after June 22, 1965, except insofar as such amendments related to the taxes imposed by sections 4061(b), 4091, and 4131 and, as to such taxes, applicable with respect to articles sold on or after January 1, 1966, see section 701(a) of Pub. L. 89-44, set out as a note under section 4161 of this title.

CHAPTER 33—FACILITIES AND SERVICES

Subchapter		Sec. ¹
[A.]	Repealed.]	
B.	Communications	4251
C.	Transportation by air	4261
[D.]	Repealed.]	
E.	Special provisions applicable to services and facilities taxes	4291

REPEAL OF SUBCHAPTER B

Table of subchapters for chapter 33 amended by striking out the item relating to subchapter

¹ Section numbers editorially supplied.

B dealing with Communications, effective Jan. 1, 1982, see Pub. L. 90-364, title I, §105(b)(3), June 28, 1968, 82 Stat. 266, as amended by Pub. L. 91-172, title VII, §702(b)(3), Dec. 30, 1969, 83 Stat. 660; Pub. L. 91-614, title II, §201(b)(3), Dec. 31, 1970, 84 Stat. 1843. Repeal of item B was not executed in view of the amendments to section 4251 of this title by Pub. L. 96-499, Pub. L. 97-34, Pub. L. 97-248, Pub. L. 98-369, Pub. L. 99-514, and Pub. L. 101-508, extending the date in (and finally eliminating) provisions which had reduced the tax to zero after a specified date.

AMENDMENTS

1970—Pub. L. 91-258, title II, §205(c)(5), May 21, 1970, 84 Stat. 242, substituted “Transportation by air” for “Transportation of persons by air” in item for subchapter C.

1965—Pub. L. 89-44, title III, §§301, 304, June 21, 1965, 79 Stat. 145, 148, struck out items for subchapters A and D.

1962—Pub. L. 87-508, §5(c)(1), June 28, 1962, 76 Stat. 118, substituted “Transportation of persons by air” for “Transportation of persons” in item for subchapter C.

1958—Pub. L. 85-475, §4(b)(1), June 30, 1958, 72 Stat. 260, substituted “Transportation of persons” for “Transportation” in item for subchapter C.

EFFECTIVE DATE OF 1962 AMENDMENT

Pub. L. 87-508, §5(d), June 28, 1962, 76 Stat. 119, provided in part that: “The amendment made by subsection (c)(1) [amending item for subchapter C in the analysis] shall apply only with respect to transportation beginning after November 15, 1962.”

CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in sections 6302, 6416, 7512 of this title.

[Subchapter A—Repealed]

[[§ 4231 to 4234. Repealed. Pub. L. 89-44, title III, § 301, June 21, 1965, 79 Stat. 145]

Section 4231, acts Aug. 16, 1954, ch. 736, 68A Stat. 497; Aug. 6, 1956, ch. 1019, §1, 70 Stat. 1074; Sept. 2, 1958, Pub. L. 85-859, title I, §131(a)-(c), 72 Stat. 1286, 1287; Apr. 8, 1960, Pub. L. 86-422, §1, 74 Stat. 41, imposed a tax on admissions, permanent use or lease of boxes or seats, sales outside of box office in excess of established price, sales by proprietors in excess of established price, and cabarets.

Section 4232, acts Aug. 16, 1954, ch. 736, 68A Stat. 498; Sept. 2, 1958, Pub. L. 85-859, title I, §131(d), 72 Stat. 1287, defined admission, roof garden, cabaret, or other similar place, and performance for profit as used in section 4231.

Section 4233, acts Aug. 16, 1954, ch. 736, 68A Stat. 498; Aug. 11, 1955, ch. 792, §1, 69 Stat. 675; Apr. 16, 1958, Pub. L. 85-380, §§1-3, 72 Stat. 88; Sept. 2, 1958, Pub. L. 85-859, title I, §131(e), (f), 72 Stat. 1287; June 25, 1959, Pub. L. 86-70, §22(a), 73 Stat. 146; Sept. 21, 1959, Pub. L. 86-319, §1, 73 Stat. 590; Sept. 21, 1959, Pub. L. 86-344, §2(c), 73 Stat. 617; July 12, 1960, Pub. L. 86-624, §18(d), 74 Stat. 416, granted certain exemptions to certain charitable, educational, or religious entertainments, agricultural fairs, certain musical or dramatic performances, swimming pools, etc., home and garden tours, historic sites, certain amateur theatricals, certain amateur baseball games, rodeos, pageants, and certain benefit performances.

Section 4234, act Aug. 16, 1954, ch. 736, 68A Stat. 501, required that price of tickets be printed on face or back of such tickets and provided a penalty for selling tickets not so stamped.

EFFECTIVE DATE OF REPEAL

Repeal applicable with respect to admissions, services, or uses after noon, December 31, 1965, see section

701(b)(1) of Pub. L. 89-44, set out as an Effective Date of 1965 Amendment note under section 4291 of this title.

[[§ 4241 to 4243. Repealed. Pub. L. 89-44, title III, § 301, June 21, 1965, 79 Stat. 145]

Section 4241, acts Aug. 16, 1954, ch. 736, 68A Stat. 501; Sept. 2, 1958, Pub. L. 85-859, title I, §132(a), 72 Stat. 1288; Sept. 21, 1959, Pub. L. 86-344, §3(b), 73 Stat. 618, imposed a tax on dues or membership fees, initiation, fees, and life memberships in social, athletic, or sporting clubs or organizations.

Section 4242, act Aug. 16, 1954, ch. 736, 68A Stat. 501, defined dues and initiation fees as used in section 4241.

Section 4243, acts Aug. 16, 1954, ch. 736, 68A Stat. 502; Sept. 2, 1958, Pub. L. 85-859, title I, §132(b), 72 Stat. 1288; Sept. 21, 1959, Pub. L. 86-344, §3(a), 73 Stat. 618, granted exemptions to fraternal organizations, payments for capital improvements, and nonprofit swimming or skating facilities.

EFFECTIVE DATE OF REPEAL

Repeal applicable with respect to dues and membership fees attributable to periods beginning on or after January 1, 1966, initiation fees and amounts paid for life memberships attributable to memberships beginning on or after January 1, 1966, initiation fees paid on or after July 1, 1965, to a new club or organization first making its facilities available to members on or after such a date, and, in the case of amounts described in section 4243(b) of this title, 3-year periods beginning on or after January 1, 1966, see section 701(b)(1) of Pub. L. 89-44, set out as an Effective Date of 1965 Amendment note under section 4291 of this title.

Subchapter B—Communications

Sec.	
4251.	Imposition of tax.
4252.	Definitions.
4253.	Exemptions.
4254.	Computation of tax.

REPEAL

This subchapter, relating to the tax on communication, was repealed by Pub. L. 90-364, title I, §105(b)(3), June 28, 1968, 82 Stat. 266, as amended by Pub. L. 91-172, title VII, §702(b)(3), Dec. 30, 1969, 83 Stat. 660; Pub. L. 91-614, title II, §201(b)(3), Dec. 31, 1970, 84 Stat. 1843, effective with respect to amounts paid pursuant to bills first rendered on or after Jan. 1, 1982. In the case of communications services rendered before Nov. 1, 1981, for which a bill has not been rendered before Jan. 1, 1982, a bill shall be treated as having been first rendered on Dec. 31, 1981. Repeal of this subchapter was not executed in view of the amendments to section 4251 of this title by Pub. L. 96-499, Pub. L. 97-34, Pub. L. 97-248, Pub. L. 98-369, Pub. L. 99-514, Pub. L. 100-203, and Pub. L. 101-508, extending the date in (and finally eliminating) provisions which had reduced the tax to zero after a specified date.

SUBCHAPTER REFERRED TO IN OTHER SECTIONS

This subchapter is referred to in sections 4293, 7871 of this title.

§ 4251. Imposition of tax

(a) Tax imposed

(1) In general

There is hereby imposed on amounts paid for communications services a tax equal to the applicable percentage of amounts so paid.

(2) Payment of tax

The tax imposed by this section shall be paid by the person paying for such services.

(b) Definitions

For purposes of subsection (a)—

(1) Communications services

The term “communications services” means—

- (A) local telephone service;
- (B) toll telephone service; and
- (C) teletypewriter exchange service.

(2) Applicable percentage

The term “applicable percentage” means 3 percent.

(c) Special rule

For purposes of subsections (a) and (b), in the case of communications services rendered before November 1 of a calendar year for which a bill has not been rendered before the close of such year, a bill shall be treated as having been first rendered on December 31 of such year.

(d) Treatment of prepaid telephone cards

(1) In general

For purposes of this subchapter, in the case of communications services acquired by means of a prepaid telephone card—

- (A) the face amount of such card shall be treated as the amount paid for such communications services, and
- (B) that amount shall be treated as paid when the card is transferred by any telecommunications carrier to any person who is not such a carrier.

(2) Determination of face amount in absence of specified dollar amount

In the case of any prepaid telephone card which entitles the user other than to a specified dollar amount of use, the face amount shall be determined under regulations prescribed by the Secretary.

(3) Prepaid telephone card

For purposes of this subsection, the term “prepaid telephone card” means any card or any other similar arrangement which permits its holder to obtain communications services and pay for such services in advance.

(Aug. 16, 1954, ch. 736, 68A Stat. 503; Pub. L. 85-859, title I, §133(a), Sept. 2, 1958, 72 Stat. 1289; Pub. L. 86-75, §5, June 30, 1959, 73 Stat. 158; Pub. L. 86-564, title II, §202(a)(2), June 30, 1960, 74 Stat. 290; Pub. L. 87-72, §3(a)(2), June 30, 1961, 75 Stat. 193; Pub. L. 87-508, §3(a)(2), June 28, 1962, 76 Stat. 114; Pub. L. 88-52, §3(a)(2), June 29, 1963, 77 Stat. 72; Pub. L. 88-348, §2(a)(2), June 30, 1964, 78 Stat. 237; Pub. L. 89-44, title III, §302, title VII, §701(b)(2)(B), June 21, 1965, 79 Stat. 145, 156; Pub. L. 89-368, title II, §202(a), Mar. 15, 1966, 80 Stat. 66; Pub. L. 90-285, §1(a)(3), Apr. 12, 1968, 82 Stat. 92; Pub. L. 90-364, title I, §105(b)(1), (2), June 28, 1968, 82 Stat. 265; Pub. L. 91-172, title VII, §702(b)(1), (2), Dec. 30, 1969, 83 Stat. 660; Pub. L. 91-614, title II, §201(b)(1), (2), Dec. 31, 1970, 84 Stat. 1843; Pub. L. 96-499, title XI, §1151, Dec. 5, 1980, 94 Stat. 2694; Pub. L. 97-34, title VIII, §821, Aug. 13, 1981, 95 Stat. 351; Pub. L. 97-248, title II,

§282(a), Sept. 3, 1982, 96 Stat. 568; Pub. L. 98-369, div. A, title I, §26, July 18, 1984, 98 Stat. 507; Pub. L. 99-514, title XVIII, §1801(b), Oct. 22, 1986, 100 Stat. 2785; Pub. L. 100-203, title X, §10501, Dec. 22, 1987, 101 Stat. 1330-438; Pub. L. 101-508, title XI, §11217(a), Nov. 5, 1990, 104 Stat. 1388-437; Pub. L. 105-34, title X, §1034(a), Aug. 5, 1997, 111 Stat. 937; Pub. L. 105-206, title VI, §6010(i), July 22, 1998, 112 Stat. 815.)

REPEAL

This subchapter, relating to the tax on communications, was repealed by Pub. L. 90-364, title I, §105(b)(3), June 28, 1968, 82 Stat. 266, as amended by Pub. L. 91-172, title VII, §702(b)(3), Dec. 30, 1969, 83 Stat. 660; Pub. L. 91-614, title II, §201(b)(3), Dec. 31, 1970, 84 Stat. 1843, effective with respect to amounts paid pursuant to bills first rendered on or after Jan. 1, 1982. In the case of communications services rendered before Nov. 1, 1981, for which a bill has not been rendered before Jan. 1, 1982, a bill shall be treated as having been first rendered on Dec. 31, 1981.

Pub. L. 96-499, title XI, §1151, Dec. 5, 1980, 94 Stat. 2694; Pub. L. 97-34, title VIII, §821, Aug. 13, 1981, 95 Stat. 351; Pub. L. 97-248, title II, §282(a), Sept. 3, 1982, 96 Stat. 568; Pub. L. 98-369, div. A, title I, §26, July 18, 1984, 98 Stat. 507; Pub. L. 99-514, title XVIII, §1801(b), Oct. 22, 1986, 100 Stat. 2785; Pub. L. 100-203, title X, §10501, Dec. 22, 1987, 101 Stat. 1330-438; Pub. L. 101-508, title XI, §11217(a), Nov. 5, 1990, 104 Stat. 1388-437, amended section 4251 of this title, relating to the imposition of the tax on communications, extending the date in (and finally eliminating) provisions which had reduced the tax to zero after a specified date, without amending Pub. L. 90-364, title I, §105(b)(3), June 28, 1968, 82 Stat. 266, which, as amended, had repealed this subchapter, effective with respect to amounts paid pursuant to bills first rendered on or after Jan. 1, 1982.

AMENDMENTS

1998—Subsec. (d)(3). Pub. L. 105-206 substituted “any other similar arrangement” for “other similar arrangement”.

1997—Subsec. (d). Pub. L. 105-34 added subsec. (d).

1990—Subsec. (b)(2). Pub. L. 101-508 substituted “percent.” for “percent; except that, with respect to amounts paid pursuant to bills first rendered after 1990, the applicable percentage shall be zero.”

1987—Subsec. (b)(2). Pub. L. 100-203 amended par. (2) generally. Prior to amendment, par. (2) read as follows: “The term ‘applicable percentage’ means—

“With respect to amount paid pursuant to bills first rendered:	The percentage is:
During 1983, 1984, 1985, 1986, or 1987	3
During 1988 or thereafter	0.”

1986—Subsec. (b)(2). Pub. L. 99-514 inserted “1985,” after “1984,” in table.

1984—Subsec. (b)(2). Pub. L. 98-369 substituted “During 1983, 1984, 1986, or 1987” for “During 1983, 1984, or 1985” in item relating to an applicable percentage of 3 and substituted “During 1988 or thereafter” for “During 1986 or thereafter” in item relating to an applicable percentage of 0.

1982—Subsec. (a). Pub. L. 97-248 added subsec. (a) and struck out former subsec. (a) which provided that there was a tax on communication services specified as local telephone service, toll telephone service, and teletypewriter exchange service, directed that the tax was to be

paid by the person paying for such services, and designated the tax as the percentage of the amount paid for the services as set out in the following table:

“Amounts paid pursuant to bills first rendered—	Percent—
“Before January 1, 1973	10
During 1973	9
During 1974	8
During 1975	7
During 1976	6
During 1977	5
During 1978	4
During 1979	3
During 1980 or 1981	2
During 1982, 1983, or 1984	1”

Subsec. (b). Pub. L. 97-248 added subsec. (b) and struck out former subsec. (b) which provided that the tax imposed by former subsec. (a) would not apply to amounts paid pursuant to bills first rendered on or after January 1, 1985.

1981—Subsec. (a)(2). Pub. L. 97-34, § 821(a), substituted “During 1982, 1983, or 1984” for “During 1982” in table.

Subsec. (b). Pub. L. 97-34, § 821(b), extended termination date to Jan. 1, 1985, from Jan. 1, 1983.

1980—Subsec. (a)(2). Pub. L. 96-499, § 1151(a), substituted “During 1980 or 1981” for “During 1980” and “During 1982” for “During 1981” in table.

Subsec. (b). Pub. L. 96-499, § 1151(b), substituted “1983” for “1982”.

1970—Subsec. (a)(2). Pub. L. 91-614, § 201(b)(1), substituted provisions providing the rate of tax on amounts paid for communication services pursuant to bills first rendered before Jan. 1, 1973 is 10% of such amount, amounts paid pursuant to bills first rendered during 1973 is 9% of such amount, during 1974 is 8% of such amount, during 1975 is 7% of such amount, during 1976 is 6% of such amount, during 1977 is 5% of such amount, during 1978 is 4% of such amount, during 1979 is 3% of such amount, during 1980 is 2% of such amount, and during 1981 is 1% of such amount for provisions providing the rate of tax on amounts paid for communication services pursuant to bills first rendered before Jan. 1, 1971 is 10% of such amount, amounts paid pursuant to bills first rendered during 1971 is 5% of such amount, during 1972 is 3% of such amount, and during 1973 is 1% of such amount.

Subsec. (b). Pub. L. 91-614, § 201(b)(2), substituted “January 1, 1982” for “January 1, 1974”.

1969—Subsec. (a)(2). Pub. L. 91-172, § 702(b)(1), increased rate of tax on amounts paid for communication services from 5 to 10 percent during 1970, from 3 to 5 percent during 1971, from 1 to 3 percent during 1972, and imposed a 1 percent tax on amounts paid for communication services during 1973.

Subsec. (b). Pub. L. 91-172, § 702(b)(2), substituted “January 1, 1974” for “January 1, 1973”.

1968—Subsec. (a)(2). Pub. L. 90-364, § 105(b)(1), extended from April 30, 1968, through the end of 1969 the period for the imposition of the 10 percent rate, thereby increasing the rate from 1 percent to 10 percent for the period May 1, 1968, through the end of 1968 and from 0 percent to 10 percent for 1969, and imposed a rate of 5 percent during 1970, a rate of 3 percent during 1971, and a rate of 1 percent during 1972.

Pub. L. 90-285 substituted “April 30, 1968” and “May 1, 1968” for “March 31, 1968” and “April 1, 1968” respectively.

Subsec. (b). Pub. L. 90-364, § 105(b)(2), substituted “1973” for “1969”.

Subsec. (c). Pub. L. 90-364, § 105(b)(2), extended provisions calling for treatment of bills not rendered before the end of a year for service rendered before November 1 of that year as having been first rendered on December 31 of that year so as to include years subsequent to 1968 and struck out special provision for the application of subsec. (a) in the case of communication services rendered before March 1, 1968, for which a bill was not rendered before May 1, 1968.

Pub. L. 90-285 substituted “March 1, 1968,” for “February 1, 1968”, “May 1, 1968” for “April 1, 1968”, “April 30, 1968” for “March 31, 1968”, and “February 29, 1968” for “January 31, 1968”.

1966—Subsec. (a)(2). Pub. L. 89-368, § 202(a)(1), increased to 10 percent the schedule of rates for tax imposed for the period up to April 1, 1968, and authorized a reduction to 1 percent for the period after March 31, 1968, and before January 1, 1969.

Subsec. (c). Pub. L. 89-368, § 202(a)(2), conformed subsection to rate reduction schedule alterations by providing that, in the case of communications services rendered before February 1, 1968, for which a bill has not been rendered before April 1, 1968, the bill shall be treated as having been first rendered on March 31, 1968, and, in the case of services rendered after January 31, 1968, and before November 1, 1968, for which a bill has not been rendered before January 1, 1969, the bill shall be treated as having first been rendered on December 31, 1968.

1965—Subsec. (a). Pub. L. 89-44, § 302, substituted local telephone service, toll telephone service, and teletypewriter exchange service, for general telephone service, toll telephone service, telegraph service, teletypewriter exchange service, wire mileage service, and wire and equipment service as the taxed services and reduced the rate of tax to 3 percent during 1966, 2 percent during 1967, and 1 percent during 1968.

Subsec. (b). Pub. L. 89-44, § 302, added subsec. (b). Pub. L. 89-44, § 701(b)(2)(B), repealed former subsec. (b), as in effect June 30, 1965, effective on and after July 1, 1965. Such repealed provision had called for termination of the tax on general telephone service as of July 1, 1965.

Subsec. (c). Pub. L. 89-44, § 302, added subsec. (c).

1964—Subsec. (b)(2). Pub. L. 88-348 substituted “July 1, 1965” for “July 1, 1964” in two places.

1963—Subsec. (b)(2). Pub. L. 88-52 substituted “July 1, 1964” for “July 1, 1963” in two places.

1962—Subsec. (b)(2). Pub. L. 87-508 substituted “July 1, 1963” for “July 1, 1962” in two places.

1961—Subsec. (b)(2). Pub. L. 87-72 substituted “July 1, 1962” for “July 1, 1961” in two places.

1960—Subsec. (b)(2). Pub. L. 86-564 substituted “July 1, 1961” for “July 1, 1960” in two places.

1959—Pub. L. 86-75 designated former provisions as subsec. (a) and added subsec. (b).

1958—Pub. L. 85-859 redesignated “local telephone service” as “general telephone service”, “long distance telephone service” as “toll telephone service” and “leased wire, teletypewriter or talking circuit special service” as “teletypewriter exchange service” and “wire mileage service”.

EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105-206 effective, except as otherwise provided, as if included in the provisions of the Taxpayer Relief Act of 1997, Pub. L. 105-34, to which such amendment relates, see section 6024 of Pub. L. 105-206, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 1997 AMENDMENT

Section 1034(b) of Pub. L. 105-34 provided that: “The amendments made by this section [amending this section] shall apply to amounts paid in calendar months beginning more than 60 days after the date of the enactment of this Act [Aug. 5, 1997].”

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-514 effective, except as otherwise provided, as if included in the provisions of the Tax Reform Act of 1984, Pub. L. 98-369, div. A, to which such amendment relates, see section 1881 of Pub. L. 99-514, set out as a note under section 48 of this title.

EFFECTIVE DATE OF 1982 AMENDMENT

Section 282(b) of Pub. L. 97-248 provided that: “The amendment made by subsection (a) [amending this section] shall apply with respect to amounts paid for communications services pursuant to bills first rendered after December 31, 1982.”

EFFECTIVE DATE OF 1968 AMENDMENTS

Amendment by Pub. L. 90-364 effective Apr. 30, 1968, see section 105(c) of Pub. L. 90-364, set out as a note under section 6412 of this title.

Amendment by Pub. L. 90-285 effective Mar. 31, 1968, see section 1(b) of Pub. L. 90-285, set out as a note under section 6412 of this title.

EFFECTIVE DATE OF 1966 AMENDMENT

Section 202(c) of Pub. L. 89-368 provided that: "The amendments made by subsections (a) [amending this section] and (b) [amending section 4253 of this title] shall apply to amounts paid pursuant to bills first rendered on or after April 1, 1966, for services rendered on or after such date. In the case of amounts paid pursuant to bills rendered on or after such date for services which were rendered before such date and for which no previous bill was rendered, such amendments shall apply except with respect to such services as were rendered more than 2 months before such date. In the case of services rendered more than 2 months before such date, the provisions of subchapter B of chapter 33 of the Code in effect at the time such services were rendered, subject to the provision of section 701(b)(2) of the Excise Tax Reduction Act of 1965 [see Effective Date of 1965 Amendment note below], shall apply to the amounts paid for such services."

EFFECTIVE DATE OF 1965 AMENDMENT

Section 701(b)(2)(A) of Pub. L. 89-44 provided that: "The amendments made by section 302 [amending this section and sections 4252, 4253, and 4254 of this title] (relating to communication services) shall apply to amounts paid pursuant to bills rendered on or after January 1, 1966, for services rendered on or after such date. In the case of amounts paid pursuant to bills rendered on or after January 1, 1966, for services which were rendered before such date and for which no previous bill was rendered, such amendments shall apply except with respect to such services as were rendered more than 2 months before such date. In the case of services rendered more than 2 months before such date, the provisions of subchapter B of chapter 33 of the Code in effect at the time such services were rendered shall apply to the amounts paid for such services."

EFFECTIVE DATE OF 1958 AMENDMENT

Section 133(b) of Pub. L. 85-859, as amended by Pub. L. 99-514, § 2, Oct. 22, 1986, 100 Stat. 2095, provided that:

"(1) Subject to the provisions of paragraph (2), the amendment made by subsection (a) [amending this section and sections 4252 to 4254 of this title] shall apply with respect to amounts paid on or after the effective date prescribed in section 1(c) of this Act for services rendered on or after such date.

"(2) The amendment made by subsection (a) [amending this section and sections 4252 to 4254 of this title] shall not apply with respect to amounts paid pursuant to bills rendered before the effective date prescribed in section 1(c) of this Act. In the case of amounts paid pursuant to bills rendered on or after such date for services for which no previous bill was rendered, such amendments shall apply except with respect to such services as were rendered more than 2 months before such date. In the case of services rendered more than 2 months before such date the provisions of subchapter B of chapter 33 of the Internal Revenue Code of 1986 [formerly I.R.C. 1954] in effect at the time such services were rendered shall apply to the amounts paid for such services."

PLAN AMENDMENTS NOT REQUIRED UNTIL
JANUARY 1, 1989

For provisions directing that if any amendments made by subtitle A or subtitle C of title XI [§§ 1101-1147 and 1171-1177] or title XVIII [§§ 1800-1899A] of Pub. L. 99-514 require an amendment to any plan, such plan amendment shall not be required to be made before the

first plan year beginning on or after Jan. 1, 1989, see section 1140 of Pub. L. 99-514, as amended, set out as a note under section 401 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 4253, 4254, 6302, 6415 of this title.

§ 4252. Definitions

(a) Local telephone service

For purposes of this subchapter, the term "local telephone service" means—

(1) the access to a local telephone system, and the privilege of telephonic quality communication with substantially all persons having telephone or radio telephone stations constituting a part of such local telephone system, and

(2) any facility or service provided in connection with a service described in paragraph (1).

The term "local telephone service" does not include any service which is a "toll telephone service" or a "private communication service" as defined in subsections (b) and (d).

(b) Toll telephone service

For purposes of this subchapter, the term "toll telephone service" means—

(1) a telephonic quality communication for which (A) there is a toll charge which varies in amount with the distance and elapsed transmission time of each individual communication and (B) the charge is paid within the United States, and

(2) a service which entitles the subscriber, upon payment of a periodic charge (determined as a flat amount or upon the basis of total elapsed transmission time), to the privilege of an unlimited number of telephonic communications to or from all or a substantial portion of the persons having telephone or radio telephone stations in a specified area which is outside the local telephone system area in which the station provided with this service is located.

(c) Teletypewriter exchange service

For purposes of this subchapter, the term "teletypewriter exchange service" means the access from a teletypewriter or other data station to the teletypewriter exchange system of which such station is a part, and the privilege of intercommunication by such station with substantially all persons having teletypewriter or other data stations constituting a part of the same teletypewriter exchange system, to which the subscriber is entitled upon payment of a charge or charges (whether such charge or charges are determined as a flat periodic amount, on the basis of distance and elapsed transmission time, or in some other manner). The term "teletypewriter exchange service" does not include any service which is "local telephone service" as defined in subsection (a).

(d) Private communication service

For purposes of this subchapter, the term "private communication service" means—

(1) the communication service furnished to a subscriber which entitles the subscriber—

(A) to exclusive or priority use of any communication channel or groups of channels, or

(B) to the use of an intercommunication system for the subscriber's stations,

regardless of whether such channel, groups of channels, or intercommunication system may be connected through switching with a service described in subsection (a), (b), or (c),

(2) switching capacity, extension lines and stations, or other associated services which are provided in connection with, and are necessary or unique to the use of, channels or systems described in paragraph (1), and

(3) the channel mileage which connects a telephone station located outside a local telephone system area with a central office in such local telephone system,

except that such term does not include any communication service unless a separate charge is made for such service.

(Aug. 16, 1954, ch. 736, 68A Stat. 503; Pub. L. 85-859, title I, § 133(a), Sept. 2, 1958, 72 Stat. 1290; Pub. L. 87-508, § 4(a), June 28, 1962, 76 Stat. 115; Pub. L. 89-44, title III, § 302, June 21, 1965, 79 Stat. 145.)

REPEAL

This subchapter, relating to the tax on communications was repealed by Pub. L. 90-364, title I, § 105(b)(3), June 28, 1968, 82 Stat. 266, as amended by Pub. L. 91-172, title VII, § 702(b)(3), Dec. 30, 1969, 83 Stat. 660; Pub. L. 91-614, title II, § 201(b)(3), Dec. 31, 1970, 84 Stat. 1843, effective with respect to amounts paid pursuant to bills first rendered on or after Jan. 1, 1982. In the case of communications services rendered before Nov. 1, 1981, for which a bill has not been rendered before Jan. 1, 1982, a bill shall be treated as having been first rendered on Dec. 31, 1981. Repeal of this subchapter was not executed in view of the amendments to section 4251 of this title by Pub. L. 96-499, Pub. L. 97-34, Pub. L. 97-248, Pub. L. 98-369, Pub. L. 99-514, Pub. L. 100-203, and Pub. L. 101-508, extending the date in (and finally eliminating) provisions which had reduced the tax to zero after a specified date.

AMENDMENTS

1965—Subsec. (a). Pub. L. 89-44 substituted definition of "local telephone service" for definition of "general telephone service".

Subsec. (b). Pub. L. 89-44 replaced definition of "toll telephone service" as telephone or radio telephone message or conversation for which there is a toll charge paid within the United States with a definition which defined the term as a telephonic quality communication carrying a varying toll charge depending upon distance and elapsed transmission time and a service entitling the subscriber, upon payment of a periodic charge, to unlimited telephonic communication in an area outside the local telephone system area.

Subsec. (c). Pub. L. 89-44 substituted definition of "teletypewriter exchange service" for definition of "telegraph service".

Subsec. (d). Pub. L. 89-44 substituted definition of "private communication service" for definition of "teletypewriter exchange service".

Subsecs. (e), (f). Pub. L. 89-44 struck out subsecs. (e) and (f) which defined wire mileage service and wire and equipment service.

1962—Subsec. (e)(1), (2). Pub. L. 87-508 limited wire mileage service to service not used in the conduct of a trade or business.

1958—Subsec. (a). Pub. L. 85-859 substituted definition of "general telephone service" for provisions which defined "local telephone service" as any telephone service not taxable as long distance telephone service; leased wire; teletypewriter or talking circuit special service; or wire and equipment service, and provided that amounts paid for the installation of instruments, wires, poles, switchboards, apparatus, and equipment shall not be considered amounts paid for service, and that amounts paid for services and facilities which are exempted from other communication taxes by section 4253(b) should not be deemed to be within the definition of local telephone service.

Subsec. (b). Pub. L. 85-859 substituted "toll telephone service" for "long distance telephone service" and struck out provisions which defined "long distance telephone service" as a telephone or radio telephone message or conversation for which the toll charge is more than 24 cents.

Subsec. (c). Pub. L. 85-859 substituted "For purposes of this subchapter, the term 'telegraph service' means a telegram" for "As used in section 4251 the term 'telegraph service' means a telegraph".

Subsec. (d). Pub. L. 85-859 substituted provisions defining "teletypewriter exchange service" for provisions which defined "leased wire, teletypewriter or talking circuit special service".

Subsec. (e). Pub. L. 85-859 substituted provisions defining "wire mileage service" for provisions which defined "wire and equipment service", which were covered by subsec. (f) of this section.

Subsec. (f). Pub. L. 85-859 added subsec. (f). Similar provisions were formerly contained in subsec. (e) of this section.

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment by Pub. L. 89-44 applicable to amounts paid pursuant to bills rendered on or after January 1, 1966, for services rendered on or after such date but, in the case of amounts paid pursuant to bills rendered after January 1, 1966, for services rendered before such date for which no previous bill had been rendered, applicable except with respect to such services as were rendered more than two months before such date, see section 701(b)(2)(A) of Pub. L. 89-44, set out as a note under section 4251 of this title.

EFFECTIVE DATE OF 1962 AMENDMENT

Section 4(c) of Pub. L. 87-508 provided that: "The amendments made by subsections (a) and (b) [amending this section and section 4253 of this title] shall apply with respect to services furnished on or after January 1, 1963."

EFFECTIVE DATE OF 1958 AMENDMENT

For effective date of amendment made by Pub. L. 85-859, see section 133(b) of Pub. L. 85-859, set out as a note under section 4251 of this title.

CROSS REFERENCES

Cases where persons receiving payment must collect tax, see section 4291 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 4253 of this title.

§ 4253. Exemptions

(a) Certain coin-operated service

Service paid for by inserting coins in coin-operated telephones available to the public shall not be subject to the tax imposed by section 4251 with respect to local telephone service, or with respect to toll telephone service if the charge for such toll telephone service is less than 25 cents;

except that where such coin-operated telephone service is furnished for a guaranteed amount, the amounts paid under such guarantee plus any fixed monthly or other periodic charge shall be subject to the tax.

(b) News services

No tax shall be imposed under section 4251, except with respect to local telephone service, on any payment received from any person for services used in the collection of news for the public press, or a news ticker service furnishing a general news service similar to that of the public press, or radio broadcasting, or in the dissemination of news through the public press, or a news ticker service furnishing a general news service similar to that of the public press, or by means of radio broadcasting, if the charge for such service is billed in writing to such person.

(c) International, etc., organizations

No tax shall be imposed under section 4251 on any payment received for services furnished to an international organization, or to the American National Red Cross.

(d) Servicemen in combat zone

No tax shall be imposed under section 4251 on any payment received for any toll telephone service which originates within a combat zone, as defined in section 112, from a member of the Armed Forces of the United States performing service in such combat zone, as determined under such section, provided a certificate, setting forth such facts as the Secretary may by regulations prescribe, is furnished to the person receiving such payment.

(e) Items otherwise taxed

Only one payment of tax under section 4251 shall be required with respect to the tax on any service, notwithstanding the lines or stations of one or more persons are used in furnishing such service.

(f) Common carriers and communications companies

No tax shall be imposed under section 4251 on the amount paid for any toll telephone service described in section 4252(b)(2) to the extent that the amount so paid is for use by a common carrier, telephone or telegraph company, or radio broadcasting station or network in the conduct of its business as such.

(g) Installation charges

No tax shall be imposed under section 4251 on so much of any amount paid for the installation of any instrument, wire, pole, switchboard, apparatus, or equipment as is properly attributable to such installation.

(h) Nonprofit hospitals

No tax shall be imposed under section 4251 on any amount paid by a nonprofit hospital for services furnished to such organization. For purposes of this subsection, the term "nonprofit hospital" means a hospital referred to in section 170(b)(1)(A)(iii) which is exempt from income tax under section 501(a).

(i) State and local governmental exemption

Under regulations prescribed by the Secretary, no tax shall be imposed under section 4251 upon

any payment received for services or facilities furnished to the government of any State, or any political subdivision thereof, or the District of Columbia.

(j) Exception for nonprofit educational organizations

Under regulations prescribed by the Secretary, no tax shall be imposed under section 4251 on any amount paid by a nonprofit educational organization for services or facilities furnished to such organization. For purposes of this subsection, the term "nonprofit educational organization" means an educational organization described in section 170(b)(1)(A)(ii) which is exempt from income tax under section 501(a). The term also includes a school operated as an activity of an organization described in section 501(c)(3) which is exempt from income tax under section 501(a), if such school normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.

(k) Filing of exemption certificates

(1) In general

In order to claim an exemption under subsection (c), (h), (i), or (j), a person shall provide to the provider of communications services a statement (in such form and manner as the Secretary may provide) certifying that such person is entitled to such exemption.

(2) Duration of certificate

Any statement provided under paragraph (1) shall remain in effect until—

(A) the provider of communications services has actual knowledge that the information provided in such statement is false, or

(B) such provider is notified by the Secretary that the provider of the statement is no longer entitled to an exemption described in paragraph (1).

If any information provided in such statement is no longer accurate, the person providing such statement shall inform the provider of communications services within 30 days of any change of information.

(Aug. 16, 1954, ch. 736, 68A Stat. 504; Pub. L. 85-859, title I, §133(a), Sept. 2, 1958, 72 Stat. 1290; Pub. L. 86-344, §4(a), Sept. 21, 1959, 73 Stat. 619; Pub. L. 87-508, §4(b), June 28, 1962, 76 Stat. 115; Pub. L. 89-44, title III, §302, June 21, 1965, 79 Stat. 146; Pub. L. 89-368, title II, §202(b), Mar. 15, 1966, 80 Stat. 66; Pub. L. 91-172, title I, §101(j)(27), Dec. 30, 1969, 83 Stat. 529; Pub. L. 94-455, title XIX, §§1904(a)(6), 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1811, 1834; Pub. L. 101-508, title XI, §11217(c)(1), Nov. 5, 1990, 104 Stat. 1388-438.)

REPEAL

This subchapter, relating to the tax on communications, was repealed by Pub. L. 90-364, title I, §105(b)(3), June 28, 1968, 82 Stat. 266, as amended by Pub. L. 91-172, title VII, §702(b)(3), Dec. 30, 1969, 83 Stat. 660; Pub. L. 91-614, title II, §201(b)(3), Dec. 31, 1970, 84 Stat. 1843, effective with respect to amounts paid pursuant to bills first rendered on or after Jan. 1, 1982. In the case of communications services rendered

before Nov. 1, 1981, for which a bill has not been rendered before Jan. 1, 1982, a bill shall be treated as having been first rendered on Dec. 31, 1981. Repeal of this subchapter was not executed in view of the amendments to section 4251 of this title by Pub. L. 96-499, Pub. L. 97-34, Pub. L. 97-248, Pub. L. 98-369, Pub. L. 99-514, Pub. L. 100-203, and Pub. L. 101-508, extending the date in (and finally eliminating) provisions which had reduced the tax to zero after a specified date.

AMENDMENTS

1990—Subsec. (k). Pub. L. 101-508 added subsec. (k).
1976—Subsec. (d). Pub. L. 94-455, §1906(b)(13)(A), struck out “or his delegate” after “Secretary”.

Subsecs. (i), (j). Pub. L. 94-455, §1904(a)(6), added subsecs. (i) and (j).

1969—Subsec. (h). Pub. L. 91-172 substituted “section 170(b)(1)(A)(iii)” for “section 503(b)(5)”.

1966—Subsec. (h). Pub. L. 89-368 added subsec. (h).

1965—Subsec. (a). Pub. L. 89-44 substituted “with respect to local telephone service, or with respect to toll telephone service if the charge for such toll telephone service is less than 25 cents”, for “with respect to general telephone service, or with respect to toll telephone service or telegraph service if the charge for such toll telephone service or telegraph service is less than 25 cents”.

Subsec. (b). Pub. L. 89-44 substituted “local telephone service” for “general telephone service” and “such service” for “such services”.

Subsec. (c). Pub. L. 89-44 substituted “International, etc., organizations” for “Certain organizations” in heading.

Subsec. (d). Pub. L. 89-44 reenacted subsec. (d) without change.

Subsec. (e). Pub. L. 89-44 substituted “any service” for “toll telephone service, telegraph service, or teletypewriter exchange service”.

Subsec. (f). Pub. L. 89-44 substituted amounts paid for any toll telephone service for amounts paid for wire mileage service, wire and equipment service, and use of any telephone or radiotelephone line or channel which constitutes general telephone service if such line or channel connects stations between any two of which there would otherwise be a toll charge.

Subsec. (g). Pub. L. 89-44 reenacted subsec. (g) without change.

Subsecs. (h) to (j). Pub. L. 89-44 struck out subsecs. (h) to (j), which related to terminal facilities in case of wire mileage service and to certain interior and private communications services.

1962—Subsec. (j). Pub. L. 87-508 added subsec. (j).

1959—Subsec. (f). Pub. L. 86-344 substituted “Common carriers and communications companies” for “Special wire service in company business” in heading, incorporated existing provisions in opening and closing statements and par. (1) and added par. (2).

1958—Subsec. (a). Pub. L. 85-859 substituted “general telephone service, or with respect to toll telephone service or telegraph service if the charge for such toll telephone service or telegraph service is less than 25 cents” for “local telephone service”.

Subsec. (b). Pub. L. 85-859 substituted “general telephone service, on any payment received from any person for services used” for “local telephone service, upon any payment received from any person for services or facilities utilized”.

Subsec. (c). Pub. L. 85-859 substituted “on any payment received for services furnished to an international organization, or to the American National Red Cross” for “upon any payment received for services or facilities furnished to an international organization, or any organization created by act of Congress to act in matters of relief under the treaty of Geneva of August 22, 1864”.

Subsec. (d). Pub. L. 85-859 substituted “on any payment received for any toll telephone service” for “with

respect to long distance telephone service upon any payment received for any telephone or radio telephone message”.

Subsec. (e). Pub. L. 85-859 substituted “toll telephone service, telegraph service, or teletypewriter exchange service” for “long distance telephone service or telegraph service” and “in furnishing such service” for “in the transmission of such dispatch, message or conversation”.

Subsec. (f). Pub. L. 85-859 substituted “any wire mileage service or wire and equipment service as is used in the conduct” for “the service described in sections 4252(d) and (e) as is utilized in the conduct”.

Subsecs. (g) to (i). Pub. L. 85-859 added subsecs. (g) to (i).

EFFECTIVE DATE OF 1990 AMENDMENT

Section 11217(c)(2) of Pub. L. 101-508 provided that:

“(A) IN GENERAL.—The amendment made by paragraph (1) [amending this section] shall apply to any claim for exemption made after the date of the enactment of this Act [Nov. 5, 1990].

“(B) DURATION OF EXISTING CERTIFICATES.—Any annual certificate of exemption effective on the date of the enactment of this Act [Nov. 5, 1990] shall remain effective until the end of the annual period.”

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by section 1904(a)(6) of Pub. L. 94-455 effective on first day of first month which begins more than 90 days after Oct. 4, 1976, see section 1904(d) of Pub. L. 94-455, set out as a note under section 4041 of this title.

EFFECTIVE DATE OF 1969 AMENDMENT

Amendment by Pub. L. 91-172 effective Jan. 1, 1970, see section 101(k)(1) of Pub. L. 91-172, set out as an Effective Date note under section 4940 of this title.

EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-368 applicable to amounts paid pursuant to bills first rendered on or after April 1, 1966, for services rendered on or after such date and to amounts paid pursuant to bills rendered on or after such date for services which were rendered before such date and for which no previous bill was rendered except with respect to such services as were rendered more than two months before such date and, as to services rendered more than 2 months before such date, direction that the provisions of subchapter B of chapter 33 of the Code in effect at the time such services were rendered, be applied, subject to the provision of section 701(b)(2) of the Excise Tax Reduction Act of 1965.

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment by Pub. L. 89-44 applicable to amounts paid pursuant to bills rendered on or after January 1, 1966, for services rendered on or after such date, but, in the case of amounts paid pursuant to bills rendered after January 1, 1966, for services rendered before such date for which no previous bill had been rendered, applicable except with respect to such services as were rendered more than two months before such date, see section 701(b)(2)(A) of Pub. L. 89-44, set out as a note under section 4251 of this title.

EFFECTIVE DATE OF 1962 AMENDMENT

Amendment by Pub. L. 87-508 applicable with respect to services furnished on or after Jan. 1, 1963, see section 4(c) of Pub. L. 87-508, set out as a note under section 4252 of this title.

EFFECTIVE DATE OF 1959 AMENDMENT

Section 4(b) of Pub. L. 86-344, as amended by Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095, provided that:

“(1) Subject to the provisions of paragraph (2), the amendment made by subsection (a) [amending this section] shall apply with respect to amounts paid on or

after January 1, 1959, for services rendered on or after such date.

“(2) The amendment made by subsection (a) [amending this section] shall not apply with respect to amounts paid pursuant to bills rendered before January 1, 1959. In the case of amounts paid pursuant to bills rendered on or after such date for services for which no bill was rendered before such date, such amendment shall apply except with respect to such services as were rendered more than 2 months before such date. In the case of services rendered more than 2 months before such date, the provisions of subchapter B of chapter 33 of the Internal Revenue Code of 1986 [formerly I.R.C. 1954] in effect at the time such services were rendered shall apply to the amounts paid for such services.”

EFFECTIVE DATE OF 1958 AMENDMENT

For effective date of amendment made by Pub. L. 85-859, see section 133(b) of Pub. L. 85-859, set out as a note under section 4251 of this title.

§ 4254. Computation of tax

(a) General rule

If a bill is rendered the taxpayer for local telephone service or toll telephone service—

(1) the amount on which the tax with respect to such services shall be based shall be the sum of all charges for such services included in the bill; except that

(2) if the person who renders the bill groups individual items for purposes of rendering the bill and computing the tax, then (A) the amount on which the tax with respect to each such group shall be based shall be the sum of all items within that group, and (B) the tax on the remaining items not included in any such group shall be based on the charge for each item separately.

(b) Where payment is made for toll telephone service in coin-operated telephones

If the tax imposed by section 4251 with respect to toll telephone service is paid by inserting coins in coin-operated telephones, tax shall be computed to the nearest multiple of 5 cents, except that, where the tax is midway between multiples of 5 cents, the next higher multiple shall apply.

(c) Certain State and local taxes not included

For purposes of this subchapter, in determining the amounts paid for communications services, there shall not be included the amount of any State or local tax imposed on the furnishing or sale of such services, if the amount of such tax is separately stated in the bill.

(Aug. 16, 1954, ch. 736, 68A Stat. 504; Pub. L. 85-859, title I, § 133(a), Sept. 2, 1958, 72 Stat. 1291; Pub. L. 89-44, title III, § 302, June 21, 1965, 79 Stat. 147; Pub. L. 95-172, § 2(a), Nov. 12, 1977, 91 Stat. 1358.)

REPEAL

This subchapter, relating to the tax on communications was repealed by Pub. L. 90-364, title I, § 105(b)(3), June 28, 1968, 82 Stat. 266, as amended by Pub. L. 91-172, title VII, § 702(b)(3), Dec. 30, 1969, 83 Stat. 660; Pub. L. 91-614, title II, § 201(b)(3), Dec. 31, 1970, 84 Stat. 1843, effective with respect to amounts paid pursuant to bills first rendered on or after Jan. 1, 1982. In the case of communications services rendered before Nov. 1, 1981, for which a bill has not been

rendered before Jan. 1, 1982, a bill shall be treated as having been first rendered on Dec. 31, 1981. Repeal of this subchapter was not executed in view of the amendments to section 4251 of this title by Pub. L. 96-499, Pub. L. 97-34, Pub. L. 97-248, Pub. L. 98-369, Pub. L. 99-514, Pub. L. 100-203, and Pub. L. 101-508, extending the date in (and finally eliminating) provisions which had reduced the tax to zero after a specified date.

AMENDMENTS

1977—Subsec. (c). Pub. L. 95-172 added subsec. (c).

1965—Subsec. (a). Pub. L. 89-44 substituted “local telephone service or toll telephone service” for “general telephone service, toll telephone service, or telegraph service”.

Subsec. (b). Pub. L. 89-44 substituted “toll telephone service” for “toll telephone service or telegraph service” in catchline and text.

1958—Subsec. (a). Pub. L. 85-859 provided that if the person who renders the bill groups individual items for purposes of rendering the bill and computing the tax, then the amount on which the tax with respect to each group shall be based shall be the sum of all items within that group, and the tax on remaining items not included in any such group shall be based on the charge of each item separately.

Subsec. (b). Pub. L. 85-859 substituted “toll telephone service” for “long distance telephone service”.

EFFECTIVE DATE OF 1977 AMENDMENT

Section 2(b) of Pub. L. 95-172 provided that: “The amendment made by this section [amending this section] shall take effect only with respect to amounts paid pursuant to bills first rendered on or after the first day of the first month which begins more than 20 days after the date of the enactment of this Act [Nov. 12, 1977]. For purposes of the preceding sentence, in the case of communications services rendered more than 2 months before the effective date provided in the preceding sentence, no bill shall be treated as having been first rendered on or after such effective date.”

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment by Pub. L. 89-44 applicable to amounts paid pursuant to bills rendered on or after January 1, 1966, for service rendered on or after such date, but, in the case of amounts paid pursuant to bills rendered after January 1, 1966, for services rendered before such date for which no previous bill had been rendered, applicable except with respect to such services as were rendered more than two months before such date, see section 701(b)(2)(A) of Pub. L. 89-44, set out as a note under section 4251 of this title.

EFFECTIVE DATE OF 1958 AMENDMENT

For effective date of amendment made by Pub. L. 85-859, see section 133(b) of Pub. L. 85-859, set out as a note under section 4251 of this title.

Subchapter C—Transportation by Air

Part I.	Persons.
II.	Property.
III.	Special provisions relating to taxes on transportation by air. ¹

PART I—PERSONS

Sec. 4261.	Imposition of tax.
4262.	Definition of taxable transportation.
4263.	Special rules.

AMENDMENTS

1970—Pub. L. 91-258, title II, § 205(c)(4), May 21, 1970, 84 Stat. 242, substituted “Transportation by Air” for

¹ So in original. Does not conform to part heading.

“Transportation of Persons by Air” in subchapter heading, inserted part I to III headings in subchapter analysis, inserted “PART I—PERSONS” as analysis heading preceding section 4261, struck out item 4263, and redesignated item 4264 as 4263.

1962—Pub. L. 87-508, §5(b), June 28, 1962, 76 Stat. 115, substituted “Transportation of Persons by Air” for “Transportation of Persons” in subchapter heading.

1958—Pub. L. 85-475, §4(b)(2), June 30, 1958, 72 Stat. 260, substituted “Transportation of Persons” for “Transportation” in subchapter heading and struck out parts I-III, which were included in subchapter C.

1956—Act July 25, 1956, ch. 725, §5, 70 Stat. 646, added items 4262 and 4264 and redesignated former item 4262 as 4263.

SUBCHAPTER REFERRED TO IN OTHER SECTIONS

This subchapter is referred to in title 8 section 1356; title 19 section 58c.

§ 4261. Imposition of tax

(a) In general

There is hereby imposed on the amount paid for taxable transportation of any person a tax equal to 7.5 percent of the amount so paid.

(b) Domestic segments of taxable transportation

(1) In general

There is hereby imposed on the amount paid for each domestic segment of taxable transportation by air a tax in the amount determined in accordance with the following table for the period in which the segment begins:

In the case of segments beginning:	The tax is:
After September 30, 1997, and before October 1, 1998	\$1.00
After September 30, 1998, and before October 1, 1999	\$2.00
After September 30, 1999, and before January 1, 2000	\$2.25
During 2000	\$2.50
During 2001	\$2.75
During 2002 or thereafter	\$3.00.

(2) Domestic segment

For purposes of this section, the term “domestic segment” means any segment consisting of 1 takeoff and 1 landing and which is taxable transportation described in section 4262(a)(1).

(3) Changes in segments by reason of rerouting

If—

(A) transportation is purchased between 2 locations on specified flights, and

(B) there is a change in the route taken between such 2 locations which changes the number of domestic segments, but there is no change in the amount charged for such transportation,

the tax imposed by paragraph (1) shall be determined without regard to such change in route.

(c) Use of international travel facilities

(1) In general

There is hereby imposed a tax of \$12.00 on any amount paid (whether within or without the United States) for any transportation of any person by air, if such transportation begins or ends in the United States.

(2) Exception for transportation entirely taxable under subsection (a)

This subsection shall not apply to any transportation all of which is taxable under subsection (a) (determined without regard to sections 4281 and 4282).

(3) Special rule for Alaska and Hawaii

In any case in which the tax imposed by paragraph (1) applies to a domestic segment beginning or ending in Alaska or Hawaii, such tax shall apply only to departures and shall be at the rate of \$6.

(d) By whom paid

Except as provided in section 4263(a), the taxes imposed by this section shall be paid by the person making the payment subject to the tax.

(e) Special rules

(1) Segments to and from rural airports

(A) Exception from segment tax

The tax imposed by subsection (b)(1) shall not apply to any domestic segment beginning or ending at an airport which is a rural airport for the calendar year in which such segment begins or ends (as the case may be).

(B) Rural airport

For purposes of this paragraph, the term “rural airport” means, with respect to any calendar year, any airport if—

(i) there were fewer than 100,000 commercial passengers departing by air during the second preceding calendar year from such airport, and

(ii) such airport—

(I) is not located within 75 miles of another airport which is not described in clause (i), or

(II) is receiving essential air service subsidies as of the date of the enactment of this paragraph.

(C) No phasein of reduced ticket tax

In the case of transportation beginning before October 1, 1999—

(i) In general

Paragraph (5) shall not apply to any domestic segment beginning or ending at an airport which is a rural airport for the calendar year in which such segment begins or ends (as the case may be).

(ii) Transportation involving multiple segments

In the case of transportation involving more than 1 domestic segment at least 1 of which does not begin or end at a rural airport, the 7.5 percent rate applicable by reason of clause (i) shall be applied by taking into account only an amount which bears the same ratio to the amount paid for such transportation as the number of specified miles in domestic segments which begin or end at a rural airport bears to the total number of specified miles in such transportation.

(2) Amounts paid outside the United States

In the case of amounts paid outside the United States for taxable transportation, the

taxes imposed by subsections (a) and (b) shall apply only if such transportation begins and ends in the United States.

(3) Amounts paid for right to award free or reduced rate air transportation

(A) In general

Any amount paid (and the value of any other benefit provided) to an air carrier (or any related person) for the right to provide mileage awards for (or other reductions in the cost of) any transportation of persons by air shall be treated for purposes of subsection (a) as an amount paid for taxable transportation, and such amount shall be taxable under subsection (a) without regard to any other provision of this subchapter.

(B) Controlled group

For purposes of subparagraph (A), a corporation and all wholly owned subsidiaries of such corporation shall be treated as 1 corporation.

(C) Regulations

The Secretary shall prescribe rules which reallocate items of income, deduction, credit, exclusion, or other allowance to the extent necessary to prevent the avoidance of tax imposed by reason of this paragraph. The Secretary may prescribe rules which exclude from the tax imposed by subsection (a) amounts attributable to mileage awards which are used other than for transportation of persons by air.

(4) Inflation adjustment of dollar rates of tax

(A) In general

In the case of taxable events in a calendar year after the last nonindexed year, the \$3.00 amount contained in subsection (b) and each dollar amount contained in subsection (c) shall be increased by an amount equal to—

- (i) such dollar amount, multiplied by
- (ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting the year before the last nonindexed year for “calendar year 1992” in subparagraph (B) thereof.

If any increase determined under the preceding sentence is not a multiple of 10 cents, such increase shall be rounded to the nearest multiple of 10 cents.

(B) Last nonindexed year

For purposes of subparagraph (A), the last nonindexed year is—

- (i) 2002 in the case of the \$3.00 amount contained in subsection (b), and
- (ii) 1998 in the case of the dollar amounts contained in subsection (c).

(C) Taxable event

For purposes of subparagraph (A), in the case of the tax imposed¹ subsection (b), the beginning of the domestic segment shall be treated as the taxable event.

(5) Rates of ticket tax for transportation beginning before October 1, 1999

Subsection (a) shall be applied by substituting for “7.5 percent”—

(A) “9 percent” in the case of transportation beginning after September 30, 1997, and before October 1, 1998, and

(B) “8 percent” in the case of transportation beginning after September 30, 1998, and before October 1, 1999.

(f) Exemption for certain helicopter uses

No tax shall be imposed under subsection (a) or (b) on air transportation by helicopter for the purpose of—

- (1) transporting individuals, equipment, or supplies in the exploration for, or the development or removal of, hard minerals, oil, or gas, or
- (2) the planting, cultivation, cutting, or transportation of, or caring for, trees (including logging operations),

but only if the helicopter does not take off from, or land at, a facility eligible for assistance under the Airport and Airway Development Act of 1970, or otherwise use services provided pursuant to section 44509 or 44913(b) or subchapter I of chapter 471 of title 49, United States Code, during such use. In the case of helicopter transportation described in paragraph (1), this subsection shall be applied by treating each flight segment as a distinct flight.

(g) Exemption for air ambulances providing certain emergency medical transportation

No tax shall be imposed under this section or section 4271 on any air transportation for the purpose of providing emergency medical services—

- (1) by helicopter, or
- (2) by a fixed-wing aircraft equipped for and exclusively dedicated on that flight to acute care emergency medical services.

(h) Exemption for skydiving uses

No tax shall be imposed by this section or section 4271 on any air transportation exclusively for the purpose of skydiving.

(i) Application of taxes

(1) In general

The taxes imposed by this section shall apply to—

- (A) transportation beginning during the period—
 - (i) beginning on the 7th day after the date of the enactment of the Airport and Airway Trust Fund Tax Reinstatement Act of 1997, and
 - (ii) ending on September 30, 2007, and
- (B) amounts paid during such period for transportation beginning after such period.

(2) Refunds

If, as of the date any transportation begins, the taxes imposed by this section would not have applied to such transportation if paid for on such date, any tax paid under paragraph (1)(B) with respect to such transportation shall be treated as an overpayment.

(Aug. 16, 1954, ch. 736, 68A Stat. 506; July 25, 1956, ch. 725, §§1, 4(b), 70 Stat. 644, 646; Pub. L. 86-75, §4, June 30, 1959, 73 Stat. 158; Pub. L. 86-564, title II, §202(a)(3), June 30, 1960, 74 Stat. 290; Pub. L. 87-72, §3(a)(3), June 30, 1961, 75 Stat. 193; Pub. L.

¹ So in original. Probably should be followed by “by”.

87-508, §5(a), (b), June 28, 1962, 76 Stat. 115; Pub. L. 88-52, §3(a)(3), June 29, 1963, 77 Stat. 72; Pub. L. 88-348, §2(a)(3), June 30, 1964, 78 Stat. 237; Pub. L. 89-44, title III, §303(a), June 21, 1965, 79 Stat. 148; Pub. L. 91-258, title II, §203(a), May 21, 1970, 84 Stat. 238; Pub. L. 94-455, title XIX, §1904(a)(7), Oct. 4, 1976, 90 Stat. 1812; Pub. L. 96-298, §1(b), July 1, 1980, 94 Stat. 829; Pub. L. 97-248, title II, §280(a), Sept. 3, 1982, 96 Stat. 564; Pub. L. 98-369, div. A, title X, §1018(b), July 18, 1984, 98 Stat. 1021; Pub. L. 99-514, title XVIII, §1878(c)(2), Oct. 22, 1986, 100 Stat. 2903; Pub. L. 100-223, title IV, §§402(a)(1), 404(a), (c), Dec. 30, 1987, 101 Stat. 1532, 1533; Pub. L. 101-239, title VII, §7503(a), Dec. 19, 1989, 103 Stat. 2362; Pub. L. 101-508, title XI, §11213(a)(1), (d)(1), Nov. 5, 1990, 104 Stat. 1388-432, 1388-435; Pub. L. 103-272, §5(g)(2), July 5, 1994, 108 Stat. 1374; Pub. L. 104-188, title I, §1609(b), (d), (e), Aug. 20, 1996, 110 Stat. 1841, 1842; Pub. L. 105-2, §2(b)(1), Feb. 28, 1997, 111 Stat. 5; Pub. L. 105-34, title X, §1031(b)(1), (c)(1), (2), title XIV, §1435(a), title XVI, §1601(f)(4)(D), Aug. 5, 1997, 111 Stat. 929, 930, 1052, 1091.)

ADJUSTMENT OF PASSENGER AIR TRANSPORTATION EXCISE TAX FOR CALENDAR YEAR 2000

For adjustment of passenger air transportation excise tax under subsec. (c) of this section for calendar year 2000, see section 3.20 of Revenue Procedure 99-42, set out as a note under section 1 of this title.

REFERENCES IN TEXT

The date of the enactment of this paragraph, referred to in subsec. (e)(1)(B)(ii)(II), is the date of enactment of Pub. L. 105-34, which was approved Aug. 5, 1997.

The Airport and Airway Development Act of 1970, referred to in subsec. (f), is title I of Pub. L. 91-258, May 21, 1970, 84 Stat. 219, as amended, which was classified principally to chapter 25 (§1701 et seq.) of former Title 49, Transportation. Sections 1 to 30 of title I of Pub. L. 91-258, which enacted sections 1701 to 1703, 1711 to 1713, and 1714 to 1730 of former Title 49 and a provision set out as a note under section 1701 of former Title 49, were repealed by Pub. L. 97-248, title V, §523(a), Sept. 3, 1982, 96 Stat. 695. Sections 31, 51, 52(a), (b)(4), (6), (c), (d), and 53 of title I of Pub. L. 91-258 were repealed by Pub. L. 103-272, §7(b), July 5, 1994, 108 Stat. 1379, the first section of which enacted subtitles II, III, and V to X of Title 49, Transportation. For complete classification of this Act to the Code, see Tables. For disposition of sections of former Title 49, see table at the beginning of Title 49.

The date of the enactment of the Airport and Airway Trust Fund Tax Reinstatement Act of 1997, referred to in subsec. (i)(1)(A)(i), is the date of enactment of Pub. L. 105-2, which was approved Feb. 28, 1997.

AMENDMENTS

1997—Subsec. (a). Pub. L. 105-34, §1031(c)(1), added subsec. (a) and struck out heading and text of former subsec. (a). Text read as follows: “There is hereby imposed upon the amount paid for taxable transportation (as defined in section 4262) of any person a tax equal to 10 percent of the amount so paid. In the case of amounts paid outside of the United States for taxable transportation, the tax imposed by this subsection shall apply only if such transportation begins and ends in the United States.”

Subsec. (b). Pub. L. 105-34, §1031(c)(1), added subsec. (b) and struck out heading and text of former subsec. (b). Text read as follows: “There is hereby imposed upon the amount paid for seating or sleeping accommodations in connection with transportation and with respect to which a tax is imposed by subsection (a), a tax equal to 10 percent of the amount so paid.”

Subsec. (c). Pub. L. 105-34, §1031(c)(1), added subsec. (c) and struck out heading and text of former subsec. (c). Text read as follows: “There is hereby imposed a tax of \$6 upon any amount paid (whether within or without the United States) for any transportation of any person by air, if such transportation begins in the United States. This subsection shall not apply to any transportation all of which is taxable under subsection (a) (determined without regard to sections 4281 and 4282).”

Subsecs. (e), (f). Pub. L. 105-34, §1031(c)(2), added subsec. (e) and redesignated former subsec. (e) as (f). Former subsec. (f) redesignated (g).

Subsec. (g). Pub. L. 105-34, §1031(c)(2), redesignated subsec. (f) as (g). Former subsec. (g) redesignated (h).

Pub. L. 105-2 amended heading and text of subsec. (g) generally. Prior to amendment, text read as follows: “The taxes imposed by this section shall apply with respect to transportation beginning after August 31, 1982, and before January 1, 1996, and to transportation beginning on or after the date which is 7 calendar days after the date of the enactment of the Small Business Job Protection Act of 1996 and before January 1, 1997.”

Subsec. (g)(1)(A)(ii). Pub. L. 105-34, §1031(b)(1), substituted “September 30, 2007” for “September 30, 1997”.

Subsec. (g)(2). Pub. L. 105-34, §1601(f)(4)(D), inserted “on that flight” after “dedicated”.

Subsec. (h). Pub. L. 105-34, §1435(a), added subsec. (h). Former subsec. (h) redesignated (i).

Pub. L. 105-34, §1031(c)(2), redesignated subsec. (g) as (h).

Subsec. (i). Pub. L. 105-34, §1435(a), redesignated subsec. (h) as (i).

1996—Subsec. (e). Pub. L. 104-188, §1609(e), inserted at end “In the case of helicopter transportation described in paragraph (1), this subsection shall be applied by treating each flight segment as a distinct flight.”

Subsec. (f). Pub. L. 104-188, §1609(d), amended subsec. (f) generally. Prior to amendment, subsec. (f) read as follows:

“(f) EXEMPTION FOR CERTAIN EMERGENCY MEDICAL TRANSPORTATION.—No tax shall be imposed under this section or section 4271 on any air transportation by helicopter for the purpose of providing emergency medical services if such helicopter—

“(1) does not take off from, or land at, a facility eligible for assistance under the Airport and Airway Development Act of 1970 during such transportation, and

“(2) does not otherwise use services provided pursuant to section 44509 or 44913(b) or subchapter I of chapter 471 of title 49, United States Code, during such transportation.”

Subsec. (g). Pub. L. 104-188, §1609(b), substituted “January 1, 1996, and to transportation beginning on or after the date which is 7 calendar days after the date of the enactment of the Small Business Job Protection Act of 1996 and before January 1, 1997” for “January 1, 1996”.

1994—Subsecs. (e), (f)(2). Pub. L. 103-272, §5(g)(2), substituted “section 44509 or 44913(b) or subchapter I of chapter 471 of title 49, United States Code,” for “the Airport and Airway Improvement Act of 1982”.

1990—Subsecs. (a), (b). Pub. L. 101-508, §11213(a)(1), substituted “10 percent” for “8 percent”.

Subsec. (g). Pub. L. 101-508, §11213(d)(1), substituted “January 1, 1996” for “January 1, 1991”.

1989—Subsec. (c). Pub. L. 101-239 substituted “\$6” for “\$3”.

1987—Subsec. (e). Pub. L. 100-223, §404(c), which directed the substitution of “Improvement Act” for “System Improvement Act” could not be executed because such words do not appear.

Subsec. (f). Pub. L. 100-223, §404(a), added subsec. (f). Former subsec. (f) redesignated (g).

Pub. L. 100-223, §402(a)(1), substituted “January 1, 1991” for “January 1, 1988”.

Subsec. (g). Pub. L. 100-223, §404(a), redesignated former subsec. (f) as (g).

1986—Subsec. (e)(1). Pub. L. 99-514, amended par. (1) generally. Prior to amendment, par. (1) read as follows: “transporting individuals, equipment, or supplies in—

“(A) the exploration for, or the development or removal of, hard minerals, or

“(B) the exploration for oil or gas, or”.

1984—Subsec. (e)(1). Pub. L. 98-369 amended par. (1) generally, designating existing provisions as subpar. (A) and adding subpar. (B).

1982—Subsec. (e). Pub. L. 97-248 substituted provisions relating to exemptions for certain helicopter uses for provisions that effective with respect to transportation beginning after Sept. 30, 1980, the rate of taxes imposed by subssecs. (a) and (b) would be 5 percent and taxes imposed by subsec. (c) would not apply.

Subsec. (f). Pub. L. 97-248 added subsec. (f).

1980—Subsec. (e). Pub. L. 96-298 substituted “September 30, 1980” for “June 30, 1980”.

1976—Subsec. (a). Pub. L. 94-455, §1904(a)(7)(A), struck out “which begins after June 30, 1970” after “any person”.

Subsec. (b). Pub. L. 94-455, §1904(a)(7)(A), struck out “which begins after June 30, 1970” after “with transportation”.

Subsec. (c). Pub. L. 94-455, §1904(a)(7)(B), struck out “and begins after June 30, 1970” after “United States”.

1970—Subsec. (a). Pub. L. 91-258 consolidated former provisions of subssecs. (a) and (b) for imposition of tax on amounts paid within and outside the United States, substituting an 8 percent rate commencing after June 30, 1970, for prior 5 percent rate commencing after Nov. 15, 1962.

Subsec. (b). Pub. L. 91-258 redesignated subsec. (c) as (b), substituting an 8 percent rate in connection with transportation which begins after June 30, 1970, and with respect to which a tax is imposed by subsec. (a) for prior 5 percent rate in connection with transportation which began after Nov. 15, 1962, and with respect to which a tax had been imposed by former provisions of subssecs. (a) and (b). Former subsec. (b) provisions for imposition of tax on amounts paid outside the United States were incorporated in subsec. (a).

Subsecs. (c), (d). Pub. L. 91-258 added subsec. (c), redesignated former subsec. (c) as (d), and substituted “section 4263(a)” for “section 4264”.

Subsec. (e). Pub. L. 91-258 added subsec. (e).

1965—Pub. L. 89-44 substituted “November 15, 1962” for “November 15, 1962, and before July 1, 1965” wherever appearing.

1964—Pub. L. 88-348 substituted “July 1, 1965” for “July 1, 1964” wherever appearing.

1963—Pub. L. 88-52 substituted “July 1, 1964” for “July 1, 1963” wherever appearing.

1962—Subsecs. (a), (b). Pub. L. 87-508, §5(b), struck out imposition of tax on transportation of persons by rail, motor vehicle, or water and substituted “tax equal to 5 percent of the amount so paid in connection with transportation which begins after November 15, 1962, and before July 1, 1963” for “tax equal to 10 percent of the amount so paid for transportation which begins before November 16, 1962”.

Pub. L. 87-508, §5(a), substituted provisions imposing a tax equal to 10 percent of the amount paid for transportation which begins before Nov. 16, 1962, for provisions imposing a tax equal to 10 percent of the amount paid before July 1, 1962, or 5 percent of the amount paid on or after July 1, 1962.

Subsec. (c). Pub. L. 87-508, §5(b), substituted “tax equivalent to 5 percent of the amount so paid in connection with transportation which begins after November 15, 1962, and before July 1, 1963” for “tax equivalent to 10 percent of the amount so paid in connection with transportation which begins before November 16, 1962”.

Pub. L. 87-508, §5(a), substituted provision imposing a tax equivalent to 10 percent of the amount paid in connection with transportation which begins before Nov. 16, 1962 for provision imposing a tax equivalent to 10 percent of the amount paid before July 1, 1962, or 5 percent of the amount paid on or after July 1, 1962.

1961—Pub. L. 87-72 substituted “July 1, 1962” for “July 1, 1961”, wherever appearing.

1960—Pub. L. 86-564 substituted “July 1, 1961” for “July 1, 1960” wherever appearing.

1959—Pub. L. 86-75 reduced tax on transportation of persons from ten to five percent effective July 1, 1960.

1956—Subsec. (a). Act July 25, 1956, §1, substituted “taxable transportation (as defined in section 4262) of any person by rail, motor vehicle, water, or air a tax” for “the transportation of persons by rail, motor vehicle, water, or air within or without the United States a tax”.

Subsec. (b). Act July 25, 1956, §1, substituted “taxable transportation (as defined in section 4262) of any person by rail, motor vehicle, water, or air, but only if such transportation begins and ends in the United States” for “transportation of persons by rail, motor vehicle, water, or air which begins and ends in the United States”.

Subsec. (d). Act July 25, 1956, §4(b), substituted “Except as provided in section 4264, the” for “The”.

EFFECTIVE DATE OF 1997 AMENDMENTS

Section 1031(e)(2) of Pub. L. 105-34 provided that:

“(A) IN GENERAL.—Except as otherwise provided in this paragraph, the amendments made by subsections (b) and (c) [amending this section and sections 4263 and 4271 of this title] shall apply to transportation beginning on or after October 1, 1997.

“(B) TREATMENT OF AMOUNTS PAID FOR TICKETS PURCHASED BEFORE OCTOBER 1, 1997.—The amendments made by subsection (c) [amending this section and section 4263 of this title] shall not apply to amounts paid before October 1, 1997; except that—

“(i) the amendment made to section 4261(c) of the Internal Revenue Code of 1986 shall apply to amounts paid more than 7 days after the date of the enactment of this Act [Aug. 5, 1997] for transportation beginning on or after October 1, 1997, and

“(ii) the amendment made to section 4263(c) of such Code shall apply to the extent related to taxes imposed under the amendment made to such section 4261(c) on the amounts described in clause (i).

“(C) AMOUNTS PAID FOR RIGHT TO AWARD MILEAGE AWARDS.—

“(i) IN GENERAL.—Paragraph (3) of section 4261(e) of the Internal Revenue Code of 1986 (as added by the amendment made by subsection (c)) shall apply to amounts paid (and other benefits provided) after September 30, 1997.

“(ii) PAYMENTS WITHIN CONTROLLED GROUP.—For purposes of clause (i), any amount paid after June 11, 1997, and before October 1, 1997, by 1 member of a controlled group for a right which is described in such section 4261(e)(3) and is furnished by another member of such group after September 30, 1997, shall be treated as paid after September 30, 1997. For purposes of the preceding sentence, all persons treated as a single employer under subsection (a) or (b) of section 52 of such Code shall be treated as members of a controlled group.”

Section 1435(c)(1) of Pub. L. 105-34 provided that: “The amendment made by subsection (a) [amending this section] shall apply to amounts paid after September 30, 1997.”

Amendment by section 1601(f)(4)(D) of Pub. L. 105-34 effective as if included in the provisions of the Small Business Job Protection Act of 1996, Pub. L. 104-188, to which it relates, see section 1601(j) of Pub. L. 105-34, set out as a note under section 23 of this title.

Section 2(e)(2) of Pub. L. 105-2 provided that:

“(A) IN GENERAL.—The amendments made by subsection (b) [amending this section and section 4271 of this title] shall apply to transportation beginning on or after such 7th day [means the 7th day after Feb. 28, 1997].

“(B) EXCEPTION FOR CERTAIN PAYMENTS.—Except as provided in subparagraph (C), the amendments made by subsection (b) shall not apply to any amount paid before such 7th day.

“(C) PAYMENTS OF PROPERTY TRANSPORTATION TAX WITHIN CONTROLLED GROUP.—In the case of the tax imposed by section 4271 of the Internal Revenue Code of 1986, subparagraph (B) shall not apply to any amount

paid by 1 member of a controlled group for transportation furnished by another member of such group. For purposes of the preceding sentence, all persons treated as a single employer under subsection (a) or (b) of section 52 of the Internal Revenue Code of 1986 shall be treated as members of a controlled group.”

EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-188 effective on 7th calendar day after Aug. 20, 1996, but not applicable to any amount paid before such date, see section 1609(i) of Pub. L. 104-188, set out as a note under section 4041 of this title.

EFFECTIVE DATE OF 1990 AMENDMENT

Section 11213(a)(3) of Pub. L. 101-508 provided that: “The amendments made by this subsection [amending this section and section 4271 of this title] shall apply to transportation beginning after November 30, 1990, but shall not apply to amounts paid on or before such date.”

EFFECTIVE DATE OF 1989 AMENDMENT

Section 7503(b) of Pub. L. 101-239 provided that: “The amendment made by subsection (a) [amending this section] shall apply with respect to transportation beginning after December 31, 1989, which was not paid for before such date.”

EFFECTIVE DATE OF 1987 AMENDMENT

Section 404(d)(1) of Pub. L. 100-223 provided that: “The amendment made by subsection (a) [amending this section] shall apply to transportation beginning after September 30, 1988, but shall not apply to amounts paid on or before such date.”

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-514 effective, except as otherwise provided, as if included in the provisions of the Tax Reform Act of 1984, Pub. L. 98-369, div. A, to which such amendment relates, see section 1881 of Pub. L. 99-514, set out as a note under section 48 of this title.

EFFECTIVE DATE OF 1984 AMENDMENT

Section 1018(c)(2) of Pub. L. 98-369 provided that: “The amendment made by subsection (b) [amending this section] shall apply to transportation beginning after March 31, 1984, but shall not apply to any amount paid on or before such date.”

EFFECTIVE DATE OF 1982 AMENDMENT

Section 280(d) of Pub. L. 97-248 provided that: “The amendments made by this section [amending this section and sections 4271, 4281, and 6156 of this title and repealing sections 4491 to 4494 and 6426 of this title] shall apply with respect to transportation beginning after August 31, 1982; except that such amendments shall not apply to any amount paid on or before such date.”

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by Pub. L. 94-455 effective on first day of first month which begins more than 90 days after Oct. 4, 1976, see section 1904(d) of Pub. L. 94-455, set out as a note under section 4041 of this title.

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-258 applicable to transportation beginning after June 30, 1970, see section 211(b) of Pub. L. 91-258, set out as a note under section 4041 of this title.

EFFECTIVE DATE OF 1965 AMENDMENT

Section 701(b)(3) of Pub. L. 89-44 provided that: “The amendments made by section 303 [amending this section] shall apply with respect to amounts paid for transportation, and amounts paid for accommodations in connection with transportation, beginning on or after July 1, 1965.”

EFFECTIVE DATE OF 1962 AMENDMENT

Section 5(b) of Pub. L. 87-508 provided that the amendment made by that section is effective with respect to transportation beginning after Nov. 15, 1962.

EFFECTIVE DATE OF 1956 AMENDMENT

Section 6 of act July 25, 1956, provided that: “The amendments made by this Act [amending this section and sections 4262 to 4264, 4291, and 6421 of this title] shall apply to amounts paid on or after the first day of the first month which begins more than sixty days after the date of the enactment of this Act [July 25, 1956] for transportation commencing on or after such first day.”

DELAYED DEPOSITS OF AIRPORT TRUST FUND TAX REVENUES

Due date for deposits of taxes imposed by this section which would be required to be made after Aug. 14, 1997, and before Oct. 1, 1997, to be Oct. 10, 1997, and due date for deposits of taxes imposed by this section which would be required to be made after Aug. 14, 1998, and before Oct. 1, 1998, to be Oct. 5, 1998, see section 1031(g) of Pub. L. 105-34, set out as a note under section 6302 of this title.

PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1989

For provisions directing that if any amendments made by subtitle A or subtitle C of title XI [§§1101-1147 and 1171-1177] or title XVIII [§§1800-1899A] of Pub. L. 99-514 require an amendment to any plan, such plan amendment shall not be required to be made before the first plan year beginning on or after Jan. 1, 1989, see section 1140 of Pub. L. 99-514, as amended, set out as a note under section 401 of this title.

CROSS REFERENCES

Cases where persons receiving payment must collect tax, see section 4291 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 4041, 4263, 4281, 4282, 6302, 6415, 7275, 9502 of this title.

§ 4262. Definition of taxable transportation

(a) Taxable transportation; in general

For purposes of this part, except as provided in subsection (b), the term “taxable transportation” means—

(1) transportation by air which begins in the United States or in the 225-mile zone and ends in the United States or in the 225-mile zone; and

(2) in the case of transportation by air other than transportation described in paragraph (1), that portion of such transportation which is directly or indirectly from one port or station in the United States to another port or station in the United States, but only if such portion is not a part of uninterrupted international air transportation (within the meaning of subsection (c)(3)).

(b) Exclusion of certain travel

For purposes of this part, the term “taxable transportation” does not include that portion of any transportation by air which meets all 4 of the following requirements:

(1) such portion is outside the United States;

(2) neither such portion nor any segment thereof is directly or indirectly—

(A) between (i) a point where the route of the transportation leaves or enters the con-

tinental United States, or (ii) a port or station in the 225-mile zone, and

(B) a port or station in the 225-mile zone;

(3) such portion—

(A) begins at either (i) the point where the route of the transportation leaves the United States, or (ii) a port or station in the 225-mile zone, and

(B) ends at either (i) the point where the route of the transportation enters the United States, or (ii) a port or station in the 225-mile zone; and

(4) a direct line from the point (or the port or station) specified in paragraph (3)(A), to the point (or the port or station) specified in paragraph (3)(B), passes through or over a point which is not within 225 miles of the United States.

(c) Definitions

For purposes of this section—

(1) Continental United States

The term “continental United States” means the District of Columbia and the States other than Alaska and Hawaii.

(2) 225-mile zone

The term “225-mile zone” means that portion of Canada and Mexico which is not more than 225 miles from the nearest point in the continental United States.

(3) Uninterrupted international air transportation

The term “uninterrupted international air transportation” means any transportation by air which is not transportation described in subsection (a)(1) and in which—

(A) the scheduled interval between (i) the beginning or end of the portion of such transportation which is directly or indirectly from one port or station in the United States to another port or station in the United States and (ii) the end or beginning of the other portion of such transportation is not more than 12 hours, and

(B) the scheduled interval between the beginning or end and the end or beginning of any two segments of the portion of such transportation referred to in subparagraph (A)(i) is not more than 12 hours.

For purposes of this paragraph, in the case of personnel of the United States Army, Air Force, Navy, Marine Corps, and Coast Guard traveling in uniform at their own expense when on official leave, furlough, or pass, the scheduled interval described in subparagraph (A) shall be deemed to be not more than 12 hours if a ticket for the subsequent portion of such transportation is purchased within 12 hours after the end of the earlier portion of such transportation and the purchaser accepts and utilizes the first accommodations actually available to him for such subsequent portion.

(d) Transportation

For purposes of this part, the term “transportation” includes layover or waiting time and movement of the aircraft in deadhead service.

(e) Authority to waive 225-mile zone provisions

(1) In general

If the Secretary of the Treasury determines that Canada or Mexico has entered into a qualified agreement—

(A) the Secretary shall publish a notice of such determination in the Federal Register, and

(B) effective with respect to transportation beginning after the date specified in such notice, to the extent provided in the agreement, the term “225-mile zone” shall not include part or all of the country with respect to which such determination is made.

(2) Termination of waiver

If a determination was made under paragraph (1) with respect to any country and the Secretary of the Treasury subsequently determines that the agreement is no longer in effect or that the agreement is no longer a qualified agreement—

(A) the Secretary shall publish a notice of such determination in the Federal Register, and

(B) subparagraph (B) of paragraph (1) shall cease to apply with respect to transportation beginning after the date specified in such notice.

(3) Qualified agreement

For purposes of this subsection, the term “qualified agreement” means an agreement between the United States and Canada or Mexico (as the case may be)—

(A) setting forth that portion of such country which is not to be treated as within the 225-mile zone, and

(B) providing that the tax imposed by such country on transportation described in subparagraph (A) will be at a level which the Secretary of the Treasury determines to be appropriate.

(4) Requirement that agreement be submitted to Congress

No notice may be published under paragraph (1)(A) with respect to any qualified agreement before the date 90 days after the date on which a copy of such agreement was furnished to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(Added July 25, 1956, ch. 725, § 3, 70 Stat. 644; amended Pub. L. 86-70, § 22(b), June 25, 1959, 73 Stat. 146; Pub. L. 86-624, § 18(a), July 12, 1960, 74 Stat. 416; Pub. L. 87-508, § 5(b), June 28, 1962, 76 Stat. 116; Pub. L. 89-44, title VIII, § 803(a), June 21, 1965, 79 Stat. 160; Pub. L. 91-258, title II, § 203(b), May 21, 1970, 84 Stat. 238; Pub. L. 97-248, title II, § 281A(a)(1), (2), Sept. 3, 1982, 96 Stat. 566, 567.)

PRIOR PROVISIONS

A prior section 4262 was renumbered 4263 of this title and later repealed.

AMENDMENTS

1982—Subsec. (c)(3). Pub. L. 97-248, § 281A(a)(1), substituted “12 hours” for “6 hours” wherever appearing.

Subsec. (e). Pub. L. 97-248, §281A(a)(2), added subsec. (e).

1970—Subsec. (a). Pub. L. 91-258, §203(b)(1)–(3), substituted “part” for “subchapter” in introductory text, “transportation by air” for “transportation” in par. (1), and “in the case of transportation by air” for “in the case of transportation” in par. (2), respectively.

Subsec. (b). Pub. L. 91-258, §203(b)(1), (4), substituted “part” for “subchapter” and “transportation by air which” for “transportation which”, in introductory text, respectively.

Subsec. (d). Pub. L. 91-258, §203(b)(5), added subsec. (d).

1965—Subsec. (c)(4). Pub. L. 89-44 inserted sentence relating to personnel of the Armed Forces traveling in uniform at their own expense following subpar. (B).

1962—Subsec. (a). Pub. L. 87-508 substituted in introductory phrase “subchapter” for “part” and inserted in par. (2) “, but only if such portion is not a part of uninterrupted international air transportation (within the meaning of subsection (c)(3))”.

Subsec. (b). Pub. L. 87-508 substituted in introductory phrase “subchapter” for “part”.

Subsec. (c)(3). Pub. L. 87-508 added par. (3).

1960—Subsec. (c)(1). Pub. L. 86-624 inserted “and Hawaii” after “Alaska”.

1959—Subsec. (c)(1). Pub. L. 86-70 substituted “the District of Columbia and the States other than Alaska” for “the existing 48 States and the District of Columbia”.

EFFECTIVE DATE OF 1982 AMENDMENT

Section 281A(a)(3) of Pub. L. 97-248 provided that: “The amendments made by this subsection [amending this section] shall apply to transportation beginning after August 31, 1982.”

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-258 applicable to transportation beginning after June 30, 1970, see section 211(b) of Pub. L. 91-258, set out as a note under section 4041 of this title.

EFFECTIVE DATE OF 1965 AMENDMENT

Section 803(b) of Pub. L. 89-44 provided that: “The amendment made by subsection (a) [amending this section] shall apply with respect to amounts paid for transportation beginning on or after July 1, 1965.”

EFFECTIVE DATE OF 1962 AMENDMENT

Section 5(b) of Pub. L. 87-508 provided that the amendment made by that section is effective with respect to transportation beginning after Nov. 15, 1962.

EFFECTIVE DATE OF 1960 AMENDMENT

Amendment by Pub. L. 86-624 effective August 21, 1959, see section 18(k) of Pub. L. 86-624, set out as a note under section 3121 of this title.

EFFECTIVE DATE OF 1959 AMENDMENT

Amendment by Pub. L. 86-70 effective Jan. 3, 1959, see section 22(i) of Pub. L. 86-70, set out as a note under section 3121 of this title.

EFFECTIVE DATE

Section applicable to amounts paid on or after first day of first month which begins more than sixty days after July 25, 1956, for transportation commencing on or after such first day, see section 6 of act July 25, 1956, set out as an Effective Date of 1956 Amendment note under section 4261 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 4261, 4272, 7275 of this title.

§ 4263. Special rules

(a) Payments made outside the United States for prepaid orders

If the payment upon which tax is imposed by section 4261 is made outside the United States for a prepaid order, exchange order, or similar order, the person furnishing the initial transportation pursuant to such order shall collect the amount of the tax.

(b) Tax deducted upon refunds

Every person who refunds any amount with respect to a ticket or order which was purchased without payment of the tax imposed by section 4261 shall deduct from the amount refundable, to the extent available, any tax due under such section as a result of the use of a portion of the transportation purchased in connection with such ticket or order, and shall report to the Secretary the amount of any such tax remaining uncollected.

(c) Payment of tax

Where any tax imposed by section 4261 is not paid at the time payment for transportation is made, then, under regulations prescribed by the Secretary, to the extent that such tax is not collected under any other provision of this subchapter, such tax shall be paid by the carrier providing the initial segment of such transportation which begins or ends in the United States.

(d) Application of tax

The tax imposed by section 4261 shall apply to any amount paid within the United States for transportation of any person by air unless the taxpayer establishes, pursuant to regulations prescribed by the Secretary at the time of payment for the transportation, that the transportation is not transportation in respect of which tax is imposed by section 4261.

(e) Round trips

In applying this subchapter to a round trip, such round trip shall be considered to consist of transportation from the point of departure to the destination, and of separate transportation thereafter.

(f) Transportation outside the northern portion of the Western Hemisphere

In applying this subchapter to transportation any part of which is outside the northern portion of the Western Hemisphere, if the route of such transportation leaves and reenters the northern portion of the Western Hemisphere, such transportation shall be considered to consist of transportation to a point outside such northern portion, and of separate transportation thereafter. For purposes of this subsection, the term “northern portion of the Western Hemisphere” means the area lying west of the 30th meridian west of Greenwich, east of the international dateline, and north of the Equator, but not including any country of South America.

(Added July 25, 1956, ch. 725, §4(a), 70 Stat. 645, §4264; amended Pub. L. 87-508, §5(b), June 28, 1962, 76 Stat. 117; renumbered §4263, Pub. L. 91-258, title II, §205(c)(2), May 21, 1970, 84 Stat. 242; amended Pub. L. 94-455, title XIX,

§ 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 105-34, title X, § 1031(c)(3), Aug. 5, 1997, 111 Stat. 932.)

PRIOR PROVISIONS

A prior section 4263, acts Aug. 16, 1954, ch. 736, 68A Stat. 506, § 4263, formerly § 4262; renumbered § 4263 and amended July 25, 1956, ch. 725, § 2, 70 Stat. 644; Aug. 7, 1956, ch. 1024, § 1, 70 Stat. 1077; June 29, 1957, Pub. L. 85-74, 71 Stat. 243; Sept. 2, 1958, Pub. L. 85-859, title I, § 134, 72 Stat. 1292; June 28, 1962, Pub. L. 87-508, § 5(b), 76 Stat. 117, provided for exemptions, subsecs. (a) to (d) relating to commutation travel, etc., certain organizations; members of the Armed Forces, and small aircraft on nonestablished lines, respectively, prior to repeal by Pub. L. 91-258, title II, § 205(c)(1), May 21, 1970, 84 Stat. 242, effective on July 1, 1970, as provided in section 211(a) of Pub. L. 91-258, set out as a note under section 4041 of this title.

AMENDMENTS

1997—Subsec. (c). Pub. L. 105-34 substituted “subchapter, such tax shall be paid by the carrier providing the initial segment of such transportation which begins or ends in the United States.” for “subchapter—

“(1) such tax shall be paid by the person paying for the transportation or by the person using the transportation;

“(2) such tax shall be paid within such time as the Secretary shall prescribe by regulations after whichever of the following first occurs:

“(A) the rights to the transportation expire; or

“(B) the time when the transportation becomes subject to tax; and

“(3) payment of such tax shall be made to the Secretary, to the person to whom the payment for transportation was made, or, in the case of transportation other than transportation described in section 4262(a)(1), to any person furnishing any portion of such transportation.”

1976—Subsecs. (b) to (d). Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

1962—Subsec. (c)(3). Pub. L. 87-508 provided for payment of tax, in the case of transportation other than transportation described in section 4262(a)(1), to any person furnishing any portion of the transportation.

Subsec. (d). Pub. L. 87-508 inserted “by air” after “transportation of any person”.

Subsec. (e). Pub. L. 87-508 substituted “subchapter” for “part”.

Subsec. (f). Pub. L. 87-508 substituted “subchapter” for “part”, struck out par. (1) designation for provision respecting transportation outside the northern portion of the Western Hemisphere and par. (2) prohibiting consideration as a stop at a port within the United States a stop at an intermediate port at which vessel is not authorized to discharge and take on passengers.

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105-34 applicable to transportation beginning on or after Oct. 1, 1997, with special rule for applicability to amounts paid before Oct. 1, 1997, see section 1031(e)(2) of Pub. L. 105-34, set out as a note under section 4261 of this title.

EFFECTIVE DATE OF 1962 AMENDMENT

Section 5(b) of Pub. L. 87-508 provided that the amendment made by that section is effective with respect to transportation beginning after Nov. 15, 1962.

EFFECTIVE DATE

Section applicable to amounts paid on or after first day of first month which begins more than sixty days after July 25, 1956, for transportation commencing on or after such first day, see section 6 of act July 25, 1956, set out as an Effective Date of 1956 Amendment note under section 4261 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 4261, 4291 of this title.

PART II—PROPERTY

Sec.

4271. Imposition of tax.

4272. Definition of taxable transportation, etc.

AMENDMENTS

1970—Pub. L. 91-258, title II, § 204, May 21, 1970, 84 Stat. 239, added “PART II—PROPERTY” and items 4271 and 4272.

§ 4271. Imposition of tax

(a) In general

There is hereby imposed upon the amount paid within or without the United States for the taxable transportation (as defined in section 4272) of property a tax equal to 6.25 percent of the amount so paid for such transportation. The tax imposed by this subsection shall apply only to amounts paid to a person engaged in the business of transporting property by air for hire.

(b) By whom paid

(1) In general

Except as provided by paragraph (2), the tax imposed by subsection (a) shall be paid by the person making the payment subject to tax.

(2) Payments made outside the United States

If a payment subject to tax under subsection (a) is made outside the United States and the person making such payment does not pay such tax, such tax—

(A) shall be paid by the person to whom the property is delivered in the United States by the person furnishing the last segment of the taxable transportation in respect of which such tax is imposed, and

(B) shall be collected by the person furnishing the last segment of such taxable transportation.

(c) Determination of amounts paid in certain cases

For purposes of this section, in any case in which a person engaged in the business of transporting property by air for hire and one or more other persons not so engaged jointly provide services which include taxable transportation of property, and the person so engaged receives, for the furnishing of such taxable transportation, a portion of the receipts from the joint providing of such services, the amount paid for the taxable transportation shall be treated as being the sum of (1) the portion of the receipts so received, and (2) any expenses incurred by any of the persons not so engaged which are properly attributable to such taxable transportation and which are taken into account in determining the portion of the receipts so received.

(d) Application of tax

(1) In general

The tax imposed by subsection (a) shall apply to—

(A) transportation beginning during the period—

(i) beginning on the 7th day after the date of the enactment of the Airport and Airway Trust Fund Tax Reinstatement Act of 1997, and

(ii) ending on September 30, 2007, and

(B) amounts paid during such period for transportation beginning after such period.

(2) Refunds

If, as of the date any transportation begins, the taxes imposed by this section would not have applied to such transportation if paid for on such date, any tax paid under paragraph (1)(B) with respect to such transportation shall be treated as an overpayment.

(Added Pub. L. 91-258, title II, §204, May 21, 1970, 84 Stat. 239; amended Pub. L. 94-455, title XIX, §1904(a)(8), Oct. 4, 1976, 90 Stat. 1812; Pub. L. 96-298, §1(b), July 1, 1980, 94 Stat. 829; Pub. L. 97-248, title II, §280(b), Sept. 3, 1982, 96 Stat. 564; Pub. L. 100-223, title IV, §402(a)(2), Dec. 30, 1987, 101 Stat. 1532; Pub. L. 101-508, title XI, §11213(a)(2), (d)(1), Nov. 5, 1990, 104 Stat. 1388-432, 1388-435; Pub. L. 104-188, title I, §1609(b), Aug. 20, 1996, 110 Stat. 1841; Pub. L. 105-2, §2(b)(2), Feb. 28, 1997, 111 Stat. 5; Pub. L. 105-34, title X, §1031(b)(2), Aug. 5, 1997, 111 Stat. 929.)

REFERENCES IN TEXT

The date of the enactment of the Airport and Airway Trust Fund Tax Reinstatement Act of 1997, referred to in subsec. (d)(1)(A)(i), is the date of enactment of Pub. L. 105-2, which was approved Feb. 28, 1997.

PRIOR PROVISIONS

A prior section 4271, act Aug. 16, 1954, ch. 736, 68A Stat. 507, 508, related to tax for the transportation of property, prior to repeal by Pub. L. 85-475, §4(a), June 30, 1958, 72 Stat. 260. For effective date of repeal, see section 4(c) of Pub. L. 85-475, set out as an Effective Date of 1958 Amendment note under section 6415 of this title.

AMENDMENTS

1997—Subsec. (d). Pub. L. 105-2 amended heading and text of subsec. (d) generally. Prior to amendment, text read as follows: “The tax imposed by subsection (a) shall apply with respect to transportation beginning after August 31, 1982, and before January 1, 1996, and to transportation beginning on or after the date which is 7 calendar days after the date of the enactment of the Small Business Job Protection Act of 1996 and before January 1, 1997.”

Subsec. (d)(1)(A)(ii). Pub. L. 105-34 substituted “September 30, 2007” for “September 30, 1997”.

1996—Subsec. (d). Pub. L. 104-188 substituted “January 1, 1996, and to transportation beginning on or after the date which is 7 calendar days after the date of the enactment of the Small Business Job Protection Act of 1996 and before January 1, 1997” for “January 1, 1996”.

1990—Subsec. (a). Pub. L. 101-508, §11213(a)(2), substituted “6.25 percent” for “5 percent”.

Subsec. (d). Pub. L. 101-508, §11213(d)(1), substituted “January 1, 1996” for “January 1, 1991”.

1987—Subsec. (d). Pub. L. 100-223 substituted “1991” for “1988”.

1982—Subsec. (d). Pub. L. 97-248 substituted provision that the tax imposed by subsec. (a) shall apply with respect to transportation beginning after Aug. 31, 1982, and before Jan. 1, 1988, for provision that effective with respect to transportation beginning after Sept. 30, 1980, the tax imposed by subsec. (a) would not apply.

1980—Subsec. (d). Pub. L. 96-298 substituted “September 30, 1980” for “June 30, 1980”.

1976—Subsec. (a). Pub. L. 94-455 struck out “which begins after June 30, 1970” after “of property”.

EFFECTIVE DATE OF 1997 AMENDMENTS

Amendment by Pub. L. 105-34 applicable to transportation beginning on or after Oct. 1, 1997, see section 1031(e)(2) of Pub. L. 105-34, set out as a note under section 4261 of this title.

Amendment by Pub. L. 105-2 applicable to transportation beginning on or after the 7th day after Feb. 28, 1997, with special rule for applicability to amounts paid before such 7th day, see section 2(e)(2) of Pub. L. 105-2, set out as a note under section 4261 of this title.

EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-188 effective on 7th calendar day after Aug. 20, 1996, but not applicable to any amount paid before such date, see section 1609(i) of Pub. L. 104-188, set out as a note under section 4041 of this title.

EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by section 11213(a)(2) of Pub. L. 101-508 applicable to transportation beginning after Nov. 30, 1990, but inapplicable to amounts paid on or before such date, see section 11213(a)(3) of Pub. L. 101-508, set out as a note under section 4261 of this title.

EFFECTIVE DATE OF 1982 AMENDMENT

Amendment by Pub. L. 97-248 applicable with respect to transportation beginning after Aug. 31, 1982, but inapplicable to amounts paid on or before such date, see section 280(d) of Pub. L. 97-248, set out as a note under section 4261 of this title.

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by Pub. L. 94-455 effective on first day of first month which begins more than 90 days after Oct. 4, 1976, see section 1904(d) of Pub. L. 94-455, set out as a note under section 4041 of this title.

EFFECTIVE DATE

Section applicable to transportation beginning after June 30, 1970, see section 211(b) of Pub. L. 91-258, set out as an Effective Date of 1970 Amendment note under section 4041 of this title.

DELAYED DEPOSITS OF AIRPORT TRUST FUND TAX REVENUES

Due date for deposits of taxes imposed by this section which would be required to be made after July 31, 1998, and before Oct. 1, 1998, to be Oct. 5, 1998, see section 1031(g) of Pub. L. 105-34, set out as a note under section 6302 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 4041, 4261, 4281, 4282, 6302, 6415, 9502 of this title.

§ 4272. Definition of taxable transportation, etc.

(a) In general

For purposes of this part, except as provided in subsection (b), the term “taxable transportation” means transportation by air which begins and ends in the United States.

(b) Exceptions

For purposes of this part, the term “taxable transportation” does not include—

(1) that portion of any transportation which meets the requirements of paragraphs (1), (2), (3), and (4) of section 4262(b), or

(2) under regulations prescribed by the Secretary, transportation of property in the course of exportation (including shipment to a possession of the United States) by continuous movement, and in due course so exported.

(c) Excess baggage of passengers

For purposes of this part, the term “property” does not include excess baggage accompanying a passenger traveling on an aircraft operated on an established line.

(d) Transportation

For purposes of this part, the term “transportation” includes layover or waiting time and movement of the aircraft in deadhead service.

(Added Pub. L. 91-258, title II, §204, May 21, 1970, 84 Stat. 240; amended Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834.)

PRIOR PROVISIONS

Prior sections 4272 and 4273 were repealed by Pub. L. 85-475, §4(a), June 30, 1958, 72 Stat. 260. For effective date of repeal, see section 4(c) of Pub. L. 85-475, set out as an Effective Date of 1958 Amendment note under section 6415 of this title.

Section 4272, act Aug. 16, 1954, ch. 736, 68A Stat. 507, 508, related to exemptions from tax for the transportation of property.

Section 4273, act Aug. 16, 1954, ch. 736, 68A Stat. 507, 508, related to registration in connection with the tax for the transportation of property.

AMENDMENTS

1976—Subsec. (b)(2). Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 4271 of this title.

PART III—SPECIAL PROVISIONS APPLICABLE TO TAXES ON TRANSPORTATION BY AIR

Sec.

4281. Small aircraft on nonestablished lines.
 4282. Transportation by air for other members of affiliated group.
 [4283. Repealed.]

AMENDMENTS

1990—Pub. L. 101-508, title XI, §11213(e)(2), Nov. 5, 1990, 104 Stat. 1388-436, struck out item 4283 “Reduction in aviation-related taxes in certain cases”.

1987—Pub. L. 100-223, title IV, §405(c), Dec. 30, 1987, 101 Stat. 1535, added item 4283.

1970—Pub. L. 91-258, title II, §205(a)(1), May 21, 1970, 84 Stat. 241, inserted “PART III—SPECIAL PROVISIONS APPLICABLE TO TAXES ON TRANSPORTATION BY AIR.”

§ 4281. Small aircraft on nonestablished lines

The taxes imposed by sections 4261 and 4271 shall not apply to transportation by an aircraft having a maximum certificated takeoff weight of 6,000 pounds or less, except when such aircraft is operated on an established line. For purposes of the preceding sentence, the term “maximum certificated takeoff weight” means the maximum such weight contained in the type certificate or airworthiness certificate.

(Added Pub. L. 91-258, title II, §205(a)(1), May 21, 1970, 84 Stat. 241; amended Pub. L. 97-248, title II, §280(c)(2)(B), Sept. 3, 1982, 96 Stat. 564.)

PRIOR PROVISIONS

A prior section 4281, act Aug. 16, 1954, ch. 736, 68A Stat. 508, related to tax on transportation of oil by pipeline, prior to repeal by Pub. L. 85-475, §4(a), June 30, 1958, 72 Stat. 260. For effective date of repeal, see section 4(c) of Pub. L. 85-475, set out as an Effective Date of 1958 Amendment note under section 6415 of this title.

AMENDMENTS

1982—Pub. L. 97-248 struck out “(as defined in section 4492(b))” after “certificated takeoff weight”, and in-

serted provision defining “maximum certificated takeoff weight”.

EFFECTIVE DATE OF 1982 AMENDMENT

Amendment by Pub. L. 97-248 applicable with respect to transportation beginning after Aug. 31, 1982, but inapplicable to amounts paid on or before such date, see section 280(d) of Pub. L. 97-248, set out as a note under section 4261 of this title.

EFFECTIVE DATE

Section effective on July 1, 1970, see section 211(a) of Pub. L. 91-258, set out as an Effective Date of 1970 Amendment note under section 4041 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 4041, 4261 of this title.

§ 4282. Transportation by air for other members of affiliated group**(a) General rule**

Under regulations prescribed by the Secretary, if—

- (1) one member of an affiliated group is the owner or lessee of an aircraft, and
- (2) such aircraft is not available for hire by persons who are not members of such group,

no tax shall be imposed under section 4261 or 4271 upon any payment received by one member of the affiliated group from another member of such group for services furnished to such other member in connection with the use of such aircraft.

(b) Availability for hire

For purposes of subsection (a), the determination of whether an aircraft is available for hire by persons who are not members of an affiliated group shall be made on a flight-by-flight basis.

(c) Affiliated group

For purposes of subsection (a), the term “affiliated group” has the meaning assigned to such term by section 1504(a), except that all corporations shall be treated as includible corporations (without any exclusion under section 1504(b)).

(Added Pub. L. 91-258, title II, §205(a)(1), May 21, 1970, 84 Stat. 241; amended Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 104-188, title I, §1609(f), Aug. 20, 1996, 110 Stat. 1842.)

PRIOR PROVISIONS

A prior section 4282, act Aug. 16, 1954, ch. 736, 68A Stat. 508, defined “fair charge” in connection with tax on transportation of oil by pipeline, prior to repeal by Pub. L. 85-475, §4(a), June 30, 1958, 72 Stat. 260. For effective date of repeal, see section 4(c) of Pub. L. 85-475, set out as an Effective Date of 1958 Amendment note under section 6415 of this title.

AMENDMENTS

1996—Subsecs. (b), (c). Pub. L. 104-188 added subsec. (b) and redesignated former subsec. (b) as (c).

1976—Subsec. (a). Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-188 effective on 7th calendar day after Aug. 20, 1996, see section 1609(i) of Pub. L. 104-188, set out as a note under section 4041 of this title.