

by rule, subpoena, or otherwise such information in the form of testimony, books, records, or other writings, may require the keeping and furnishing of such reports and records, and may make such inspection of the books, records, and other writings and premises and property of any person as may be deemed necessary or appropriate by him to carry out the provisions of this chapter, but this authority shall not be exercised to obtain any information with respect to which adequate and authoritative data are available from any Federal agency.

**(b) Noncompliance; application of Attorney General; jurisdiction; orders; contempts**

In case of contumacy by, or refusal to obey a subpoena served upon any person pursuant to this section, the district court of the United States for any district in which such person is found or resides or transacts business, upon application by the Attorney General, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, or both; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(Pub. L. 92-205, § 4, Dec. 18, 1971, 85 Stat. 736.)

**§ 330d. Violation; penalty**

Any person who knowingly and willfully violates section 330a of this title, or any rule issued thereunder, shall upon conviction thereof be fined not more than \$10,000.

(Pub. L. 92-205, § 5, Dec. 18, 1971, 85 Stat. 736.)

**§ 330e. Authorization of appropriations**

There are authorized to be appropriated \$150,000 for the fiscal year ending June 30, 1972, \$200,000 each for the fiscal years 1973 through 1980, \$100,000 for the fiscal year ending September 30, 1981, \$100,000 for the fiscal year ending September 30, 1986, \$100,000 for the fiscal year ending September 30, 1987, \$100,000 for the fiscal year ending September 30, 1988, to carry out the provisions of this chapter.

(Pub. L. 92-205, § 6, Dec. 18, 1971, 85 Stat. 736; Pub. L. 93-436, Oct. 5, 1974, 88 Stat. 1212; Pub. L. 94-490, § 6(b), Oct. 13, 1976, 90 Stat. 2362; Pub. L. 96-547, § 2, Dec. 18, 1980, 94 Stat. 3217; Pub. L. 99-272, title VI, § 6081, Apr. 7, 1986, 100 Stat. 135.)

AMENDMENTS

1986—Pub. L. 99-272 authorized appropriation of \$100,000 for fiscal years ending September 30, 1986, 1987, and 1988.

1980—Pub. L. 96-547 amended Pub. L. 96-547, thereby inserting provisions setting forth authorization of appropriations for fiscal year ending Sept. 30, 1981.

1976—Pub. L. 94-490 authorized appropriation of \$200,000 for each of fiscal years 1978, 1979, and 1980.

1974—Pub. L. 93-436 extended authorization of appropriation of \$200,000 for each of fiscal years ending June 30, 1975, 1976, and 1977.

**CHAPTER 10—WAR FINANCE CORPORATION**

**§§ 331 to 374. Omitted**

CODIFICATION

Sections referred to War Finance Corporation. They were derived from acts Apr. 5, 1918, ch. 45, §§1-19, 24-28,

300, 302-304, 40 Stat. 506-512, 514, 515; Mar. 3, 1919, ch. 100, §10, 40 Stat. 1314; Jan. 4, 1921, ch. 9, 41 Stat. 1084; Aug. 24, 1921, ch. 80, §§1-3, 5-7, 42 Stat. 181-184; June 10, 1922, ch. 215, §§2, 3, 42 Stat. 634; Mar. 4, 1923, ch. 252, title V, §§502, 503, 42 Stat. 1481; Feb. 20, 1924, ch. 37, §§1-4, 43 Stat. 14, 15; Apr. 4, 1928, ch. 315, 45 Stat. 405; May 29, 1928, ch. 901, §1(116), 45 Stat. 995; Mar. 1, 1929, ch. 444, 45 Stat. 1442; Aug. 23, 1935, ch. 614, §203(a), 49 Stat. 704.

War Finance Corporation was abolished and Secretary of Treasury was directed to complete and wind up its affairs and dispose of its assets in accordance with act Mar. 1, 1929, ch. 444, 45 Stat. 1442, not later than Dec. 31, 1939. All its functions, property, and obligations not previously transferred by statute to Secretary of Treasury were transferred to Department of Treasury by Reorg. Plan No. II, of 1939, §2(c), eff. July 1, 1939, 4 F.R. 2731, 53 Stat. 1432, set out in the Appendix to Title 5, Government Organization and Employees. See also sections 401 to 404 of Reorg. Plan No. II of 1939 for provisions relating to transfer of functions, records, property, personnel, and funds.

In a letter addressed to the Speaker of the House of Representatives and dated October 26, 1942, the Acting Secretary of the Treasury transmitted the final report of the affairs of the War Finance Corporation covering the period of its existence from April 5, 1918 through June 30, 1939.

REPEALS

Sections 1, 2, 5 to 19, 200 to 206, 300 and 302 to 306 of act Apr. 5, 1918, ch. 45, 40 Stat. 506 to 512, 514, 515, formerly classified to sections 331 to 347 and 361 to 365 of this title, were repealed by Pub. L. 89-554, §8(a), Sept. 6, 1966, 80 Stat. 643.

Sections 3 and 4 of act Apr. 5, 1918, ch. 45, 40 Stat. 507, which authorized the appointment of Government employees to membership on the Board of Directors of the War Finance Corporation and provided for their compensation, previously omitted from this Code, were repealed by Pub. L. 88-448, title IV, §402(a)(16), Aug. 19, 1964, 78 Stat. 493.

Sections 9 and 10 of act Mar. 3, 1919, ch. 100, 40 Stat. 1313, 1314, formerly classified to section 343 of this title, were repealed by Pub. L. 89-554, §8(a), Sept. 6, 1966, 80 Stat. 644.

Act Jan. 4, 1921, ch. 9, 41 Stat. 1084, formerly classified to section 373 of this title, was repealed by Pub. L. 89-554, §8(a), Sept. 6, 1966, 80 Stat. 644.

Act Aug. 24, 1921, ch. 80, 42 Stat. 181, formerly classified to sections 331, 340, 341, 343, 348 to 352 and 364 of this title, was repealed by Pub. L. 89-554, §8(a), Sept. 6, 1966, 80 Stat. 645.

Act June 10, 1922, ch. 215, 42 Stat. 634, formerly classified to sections 340 and 343 of this title, was repealed by Pub. L. 89-554, §8(a), Sept. 6, 1966, 80 Stat. 645.

Sections 501 to 503 of act Mar. 4, 1923, ch. 252, 42 Stat. 1480, 1481, formerly classified to sections 340 and 343 of this title, were repealed by Pub. L. 89-554, §8(a), Sept. 6, 1966, 80 Stat. 645.

Act Feb. 20, 1924, ch. 37, 43 Stat. 14, formerly classified to sections 343, 371 and 372 of this title, was repealed by Pub. L. 89-554, §8(a), Sept. 6, 1966, 80 Stat. 645.

Act Apr. 4, 1928, ch. 315, 45 Stat. 405, formerly classified to section 331 of this title, was repealed by Pub. L. 89-554, §8(a), Sept. 6, 1966, 80 Stat. 647.

Act May 29, 1928, ch. 901, §1(116), 45 Stat. 995, formerly classified to section 347 of this title, was repealed by Pub. L. 89-554, §8(a), Sept. 6, 1966, 80 Stat. 647.

Act Mar. 1, 1929, ch. 444, 45 Stat. 1442, formerly classified to section 374 of this title, was repealed by Pub. L. 89-554, §8(a), Sept. 6, 1966, 80 Stat. 647.

**CHAPTER 10A—COLLECTION OF STATE CIGARETTE TAXES**

Sec. 375.	Definitions.
376.	Reports to State tobacco tax administrator.
377.	Penalties.
378.	Jurisdiction to prevent and restrain violations.

**§ 375. Definitions**

For the purposes of this chapter—

(1) The term “person” includes corporations, companies, associations, firms, partnerships, societies, and joint stock companies, as well as individuals.

(2) The term “cigarette” means any roll for smoking made wholly or in part of tobacco, irrespective of size or shape and whether or not such tobacco is flavored, adulterated, or mixed with any other ingredient, the wrapper or cover of which is made of paper or any other substance or material except tobacco.

(3) The term “distributor licensed by or located in such State” means—

(A) in the case of any State which by State statute or regulation authorizes the distribution of cigarettes at wholesale or retail, any person so authorized, or

(B) in the case of any other State, any person located in such State who distributes cigarettes at wholesale or retail;

but such term in no case includes a person who acquires cigarettes for purposes other than resale.

(4) The term “use”, in addition to its ordinary meaning, means the consumption, storage, handling, or disposal of cigarettes.

(5) The term “tobacco tax administrator” means the State official duly authorized to administer the cigarette tax law of a State.

(6) The term “State” includes the District of Columbia, Alaska, Hawaii, and the Commonwealth of Puerto Rico.

(7) The term “transfers for profit” means any transfer for profit or other disposition for profit, including any transfer or disposition by an agent to his principal in connection with which the agent receives anything of value.

(Oct. 19, 1949, ch. 699, § 1, 63 Stat. 884; Aug. 9, 1955, ch. 695, § 1, 69 Stat. 627.)

**AMENDMENTS**

1955—Act Aug. 9, 1955, inserted definitions of “State” and “distributor licensed by or located in such State”, broadened definition of “person”, and substituted definition of “transfers for profit” for “disposing of”.

**EFFECTIVE DATE OF 1955 AMENDMENT**

Section 2 of act Aug. 9, 1955, provided that:

“(a) Except as provided in subsection (b), the amendments made by this Act [amending this section and sections 376 to 378 of this title] shall take effect thirty days after the date of its enactment [Aug. 9, 1955].

“(b) The provisions of section 2(a) of the Act of October 19, 1949, as amended by this Act [section 376(a) of this title], insofar as it requires the filing of memoranda or copies of invoices with the appropriate tax administrator for shipments of cigarettes into the District of Columbia, Alaska, Hawaii, and the Commonwealth of Puerto Rico, shall apply in respect of memoranda or copies of invoices covering shipments made during calendar months beginning after the month in which this Act is enacted [August 1955].”

**ADMISSION OF ALASKA AND HAWAII TO STATEHOOD**

Alaska was admitted into the Union on Jan. 3, 1959, on issuance of Proc. No. 3269, Jan. 3, 1959, 24 F.R. 81, 73 Stat. c16, and Hawaii was admitted into the Union on Aug. 21, 1959, on issuance of Proc. No. 3309, Aug. 21, 1959, 24 F.R. 6868, 73 Stat. c74. For Alaska Statehood Law, see Pub. L. 85-508, July 7, 1958, 72 Stat. 339, set out as

a note preceding section 21 of Title 48, Territories and Insular Possessions. For Hawaii Statehood Law, see Pub. L. 86-3, Mar. 18, 1959, 73 Stat. 4, set out as a note preceding section 491 of Title 48.

**§ 376. Reports to State tobacco tax administrator****(a) Contents**

Any person who sells or transfers for profit cigarettes in interstate commerce, whereby such cigarettes are shipped into a State taxing the sale or use of cigarettes, to other than a distributor licensed by or located in such State, or who advertises or offers cigarettes for such a sale or transfer and shipment, shall—

(1) first file with the tobacco tax administrator of the State into which such shipment is made or in which such advertisement or offer is disseminated a statement setting forth his name and trade name (if any), and the address of his principal place of business and of any other place of business; and

(2) not later than the 10th day of each calendar month, file with the tobacco tax administrator of the State into which such shipment is made, a memorandum or a copy of the invoice covering each and every shipment of cigarettes made during the previous calendar month into such State; the memorandum or invoice in each case to include the name and address of the person to whom the shipment was made, the brand, and the quantity thereof.

**(b) Presumptive evidence**

The fact that any person ships or delivers for shipment any cigarettes shall, if such shipment is into a State in which such person has filed a statement with the tobacco tax administrator under subsection (a)(1) of this section, be presumptive evidence (1) that such cigarettes were sold, or transferred for profit, by such person, and (2) that such sale or transfer was to other than a distributor licensed by or located in such State.

(Oct. 19, 1949, ch. 699, § 2, 63 Stat. 884; Aug. 15, 1953, ch. 512, title II, § 201(a), 67 Stat. 617; Aug. 9, 1955, ch. 695, § 1, 69 Stat. 627.)

**AMENDMENTS**

1955—Act Aug. 9, 1955, designated existing provisions as subsec. (a), inserted provisions requiring filing of a statement of name, trade name, address, and places of business by persons who sell or transfer for profit cigarettes in interstate commerce or by persons who advertise or offer cigarettes for such sale or transfer, and added subsec. (b).

1953—Act Aug. 15, 1953, required that the memorandum or copy of invoice be filed with, rather than forwarded to, the tobacco tax administrator.

**EFFECTIVE DATE OF 1955 AMENDMENT**

For effective date of amendment by act Aug. 9, 1955, see section 2 of act Aug. 9, 1955, set out as a note under section 375 of this title.

**EFFECTIVE DATE OF 1953 AMENDMENT**

Section 201(b) of act Aug. 15, 1953, provided that: “The amendment made by subsection (a) [amending this section] shall apply only in respect of memoranda or copies of invoices covering shipments made during the calendar month in which this Act is enacted [August 1953] and subsequent calendar months.”

**§ 377. Penalties**

Whoever violates any provision of this chapter shall be guilty of a misdemeanor and shall be

fined not more than \$1,000, or imprisoned not more than 6 months, or both.

(Oct. 19, 1949, ch. 699, § 3, 63 Stat. 885; Aug. 9, 1955, ch. 695, § 1, 69 Stat. 628.)

#### AMENDMENTS

1955—Act Aug. 9, 1955, substituted “any provision of this chapter” for “the provisions of this chapter”.

#### EFFECTIVE DATE OF 1955 AMENDMENT

Amendment by act Aug. 9, 1955, effective 30 days after Aug. 9, 1955, see section 2 of act Aug. 9, 1955, set out as a note under section 375 of this title.

### § 378. Jurisdiction to prevent and restrain violations

The United States district courts shall have jurisdiction to prevent and restrain violations of this chapter.

(Oct. 19, 1949, ch. 699, § 4, as added Aug. 9, 1955, ch. 695, § 1, 69 Stat. 628.)

#### EFFECTIVE DATE

Section effective 30 days after Aug. 9, 1955, see section 2 of act Aug. 9, 1955, set out as a note under section 375 of this title.

## CHAPTER 10B—STATE TAXATION OF INCOME FROM INTERSTATE COMMERCE

### SUBCHAPTER I—NET INCOME TAXES

Sec.

- 381. Imposition of net income tax.
- 382. Assessment of net income taxes.
- 383. “Net income tax” defined.
- 384. Separability.

### SUBCHAPTER II—DISCRIMINATORY TAXES

- 391. Tax on or with respect to generation or transmission of electricity.

### SUBCHAPTER I—NET INCOME TAXES

### § 381. Imposition of net income tax

#### (a) Minimum standards

No State, or political subdivision thereof, shall have power to impose, for any taxable year ending after September 14, 1959, a net income tax on the income derived within such State by any person from interstate commerce if the only business activities within such State by or on behalf of such person during such taxable year are either, or both, of the following:

- (1) the solicitation of orders by such person, or his representative, in such State for sales of tangible personal property, which orders are sent outside the State for approval or rejection, and, if approved, are filled by shipment or delivery from a point outside the State; and
- (2) the solicitation of orders by such person, or his representative, in such State in the name of or for the benefit of a prospective customer of such person, if orders by such customer to such person to enable such customer to fill orders resulting from such solicitation are orders described in paragraph (1).

#### (b) Domestic corporations; persons domiciled in or residents of a State

The provisions of subsection (a) of this section shall not apply to the imposition of a net income tax by any State, or political subdivision thereof, with respect to—

(1) any corporation which is incorporated under the laws of such State; or

(2) any individual who, under the laws of such State, is domiciled in, or a resident of, such State.

#### (c) Sales or solicitation of orders for sales by independent contractors

For purposes of subsection (a) of this section, a person shall not be considered to have engaged in business activities within a State during any taxable year merely by reason of sales in such State, or the solicitation of orders for sales in such State, of tangible personal property on behalf of such person by one or more independent contractors, or by reason of the maintenance, of an office in such State by one or more independent contractors whose activities on behalf of such person in such State consist solely of making sales, or soliciting orders for sales, or tangible personal property.

#### (d) Definitions

For purposes of this section—

(1) the term “independent contractor” means a commission agent, broker, or other independent contractor who is engaged in selling, or soliciting orders for the sale of, tangible personal property for more than one principal and who holds himself out as such in the regular course of his business activities; and

(2) the term “representative” does not include an independent contractor.

(Pub. L. 86-272, title I, § 101, Sept. 14, 1959, 73 Stat. 555.)

#### STUDY AND REPORT BY CONGRESSIONAL COMMITTEES OF STATE TAXATION FROM INTERSTATE COMMERCE

Title II of Pub. L. 86-272, as amended by Pub. L. 87-17, Apr. 7, 1961, 75 Stat. 41; Pub. L. 87-435, Apr. 21, 1962, 76 Stat. 55; Pub. L. 88-42, June 21, 1963, 77 Stat. 67; Pub. L. 88-286, Mar. 18, 1964, 78 Stat. 166, and repealed by Pub. L. 94-455, title XXI, § 2121(a), Oct. 4, 1976, 90 Stat. 1914, provided for a study by the Committee on the Judiciary of the House of Representatives and the Committee on Finance of the United States Senate, acting separately or jointly, or any duly authorized subcommittee thereof, of all matters pertaining to the taxation of interstate commerce by the States, territories, and possessions of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, or any political or taxing subdivision of the foregoing, and for a report together with their proposals for legislation on or before June 30, 1965.

### § 382. Assessment of net income taxes

#### (a) Limitations

No State, or political subdivision thereof, shall have power to assess, after September 14, 1959, any net income tax which was imposed by such State or political subdivision, as the case may be, for any taxable year ending on or before such date, on the income derived within such State by any person from interstate commerce, if the imposition of such tax for a taxable year ending after such date is prohibited by section 381 of this title.

#### (b) Collections

The provisions of subsection (a) of this section shall not be construed—

- (1) to invalidate the collection, on or before September 14, 1959, of any net income tax im-