

directly or indirectly by any branch of the United States Government or by any corporation or company whose stock is owned wholly or in part by the United States Government: *Provided further*, That the President may suspend compliance with this section in time of war or national emergency if he should deem such course to be in the public interest.

Suspension of compliance in time of war, etc.

Administrative promotions.

SEC. 3. The total amount used on an annual basis for administrative within-grade promotions for officers and employees under any appropriation or other fund made available in this Act shall not exceed the amount determined by the Bureau of the Budget to be available for such purpose on the basis of the Budget estimate for such appropriation or fund exclusive of new money in any such Budget estimate for such administrative promotions.

Citizenship requirement.

SEC. 4. No part of any appropriation contained in this Act or authorized hereby to be expended shall be used to pay the compensation of any officer or employee of the Government of the United States, or of any agency the majority of the stock of which is owned by the Government of the United States, whose post of duty is in continental United States unless such person is a citizen of the United States, or a person in the service of the United States on the date of the approval of this Act who being eligible for citizenship had theretofore filed a declaration of intention to become a citizen or who owes allegiance to the United States.

Short title.

SEC. 5. This Act may be cited as the "War Department Civil Appropriation Act, 1941".

Approved, June 24, 1940.

[CHAPTER 416]

AN ACT

To amend sections 2803 (c) and 2903 of the Internal Revenue Code.

June 24, 1940

[H. R. 9909]

[Public, No. 654]

Internal Revenue Code, amendments.

Unused stamps; exchange, refund, etc.

48 Stat. 316; 53 Stat. 303.

26 U. S. C., Supp. V, §§ 2803 (b), 2803 (c).

*Provisos.*  
Minimum quantity.  
Time restriction on claims.

Appropriation authorized.

53 Stat. 342.  
26 U. S. C., Supp. V, § 2903.

Unused stamps; exchange, refund, etc.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That section 2803 (c), Internal Revenue Code, be amended to read as follows:

"(c) UNUSED STAMPS; EXCHANGE, REFUND, ETC.—The Commissioner of Internal Revenue, under regulations prescribed by him and approved by the Secretary of the Treasury, may redeem or make allowance for any unused stamps issued under section 203 of the Liquor Taxing Act of 1934 or subsection (b) of this section by exchanging them for other stamps of the same kind or by refunding moneys received therefor: *Provided*, That stamps may be exchanged or the value thereof refunded only in quantities of the value of \$5 or more: *And provided further*, That no claim for the exchange of strip stamps or refund therefor shall be allowed unless presented within two years after the date on which such stamps were lawfully issued. There are hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out this provision."

SEC. 2. Section 2903, Internal Revenue Code, is hereby amended by relettering subsections (e), (f), and (g) as (f), (g), and (h), respectively, and by inserting a new subsection (e) to read as follows:

"(e) UNUSED STAMPS; EXCHANGE, REFUND, ETC.—The Commissioner of Internal Revenue, under regulations prescribed by him and approved by the Secretary of the Treasury, may redeem or make allowance for any unused case stamp, with all coupon strip stamps attached thereto, issued under section 1 of the Act entitled 'An Act to allow the bottling of distilled spirits in bond', approved

March 3, 1897 (29 Stat. 626), or under said section 1, as variously amended, and may redeem or make allowance for unused strip stamps issued for bottles of distilled spirits bottled in bond under said section 1, as amended by the Act of July 9, 1937 (50 Stat. 487), or under subsection (d) of this section, by exchanging them for strip stamps for bottled-in-bond spirits, or by refunding moneys received therefor: *Provided*, That stamps may be exchanged or the value thereof refunded only in quantities of the value of \$5 or more: *And provided further*, That no claim under this subsection for redemption or allowance in respect of case or strip stamps shall be allowed unless presented within two years after the date on which such case or strip stamps were lawfully issued. There are hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out this provision."

26 U. S. C., Supp. V, § 2903.

26 U. S. C., Supp. V, § 2903.

*Provisos.*  
Minimum quantity.

Time restriction on claims.

Appropriation authorized.

SEC. 3. Notwithstanding the limitations contained in sections 2803 (c) and 2903 (e), Internal Revenue Code, as amended and inserted, respectively, by this Act, as to the time within which claims under such sections must be presented, claims under such sections for the exchange of or refund for stamps lawfully issued prior to the date of enactment of this Act may be allowed if presented within two years from the date of enactment of this Act.

Certain claims allowable notwithstanding time limitation.

Approved, June 24, 1940.

[CHAPTER 417]

AN ACT

To eliminate the tax on brandy and wine spirits used in the fortification of wine; to increase the tax on wine; to compensate for the loss of revenue occasioned by the elimination of the tax on brandy and wine spirits used in the fortification of wine; and for other purposes.

June 24, 1940  
[H. R. 9117]  
[Public, No. 655]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That, effective July 1, 1940, section 3030 (a) (1) (A), Internal Revenue Code, is amended to read as follows:

Internal Revenue Code, amendments. 53 Stat. 347. 26 U. S. C., Supp. V, § 3030 (a) (1) (A). Tax on still wines. Post, p. 525.

"(A) IMPOSITION.—Upon all still wines, including vermouth, and all artificial or imitation wines or compounds sold as still wine produced in or imported into the United States after June 30, 1940, or which on July 1, 1940, were on any winery premises or other bonded premises or in transit thereto or at any customhouse, there shall be levied, collected, and paid taxes at rates as follows, when sold or removed for consumption or sale:

Rates.

"On wines containing not more than 14 per centum of absolute alcohol, 5 cents per wine-gallon, the per centum of alcohol under this section to be reckoned by volume and not by weight;

Alcoholic strength.

"On wines containing more than 14 per centum and not exceeding 21 per centum of absolute alcohol, 15 cents per wine-gallon;

"On wines containing more than 21 per centum and not exceeding 24 per centum of absolute alcohol, 25 cents per wine-gallon;

"All such wines containing more than 24 per centum of absolute alcohol by volume shall be classed as distilled spirits and shall pay tax accordingly.

Higher strength classed as distilled spirits.

"Any such wines may, under such regulations as the Commissioner may prescribe, with the approval of the Secretary, be sold or removed tax-free for the manufacture of vinegar, or for the production of dealcoholized wines containing less than one-half of 1 per centum of alcohol by volume.

Sale, etc., tax-free in certain cases.