

[CHAPTER 1226]

AN ACT

To amend section 120 of the Internal Revenue Code.

January 11, 1951
[H. R. 7303]
[Public Law 918]

Ante, p. 545.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 120 of the Internal Revenue Code (relating to unlimited deduction for charitable and other contributions) is hereby amended by striking out "in respect of preceding taxable years" and inserting in lieu thereof "in respect of such year or preceding taxable years".

SEC. 2. The amendment made by this Act shall be applicable to taxable years beginning after December 31, 1942.

Approved January 11, 1951.

[CHAPTER 1227]

AN ACT

To amend section 22 (d) (6) of the Internal Revenue Code.

January 11, 1951
[H. R. 9794]
[Public Law 919]

Internal Revenue
Code, amendment.
Ante, p. 593.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 22 (d) (6) (relating to the involuntary liquidation and replacement of elective inventories) of the Internal Revenue Code is hereby amended as follows:

(a) By amending the title of subparagraph (A) thereof to read as follows:

"(A) Adjustment of Net Income and Resulting Tax.—
Years beginning prior to January 1, 1948".

(b) By striking out in subparagraph (A) thereof "January 1, 1951" and by inserting in lieu thereof "January 1, 1953".

(c) The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1940.

SEC. 2. LIQUIDATIONS IN TAXABLE YEARS ENDING AFTER JUNE 30, 1950, AND PRIOR TO JANUARY 1, 1954.

(a) **IN GENERAL.**—Section 22 (d) (6) of the Internal Revenue Code is hereby amended by the addition of the following subparagraph:

"(F) Years Ending after June 30, 1950, and Prior to January 1, 1954.

"(i) Adjustment of Net Income and Resulting Tax.—
If, for any taxable year ending after June 30, 1950, and prior to January 1, 1954, the closing inventory of a taxpayer inventorying goods under the method provided in this subsection reflects a decrease from the opening inventory of such goods for such year, and if the taxpayer elects, at such time and in such manner and subject to such regulations as the Commissioner with the approval of the Secretary may prescribe, to have the provisions of this paragraph apply, and if it is established to the satisfaction of the Commissioner, in accordance with such regulations, that such decrease is attributable to the involuntary liquidation of such inventory as defined in subparagraph (B) (as modified by clause (ii) of this subparagraph), and if the closing inventory of a subsequent taxable year, ending prior to January 1, 1956, reflects a replacement, in whole or in part, of the goods so previously liquidated, the net income of the taxpayer otherwise determined for the year of such involuntary liquidations shall be increased by an

Ante, p. 593.