

CHAP. 124.—An act relating to soldiers while in the civil service of the United States.

March 1, 1879.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all persons who, under and by virtue of the first section of the act entitled “An act supplementary to the several acts relating to pensions”, approved March third, eighteen hundred and sixty-five, were deprived of their pensions during any portion of the time from the third of March, eighteen hundred and sixty-five, to the sixth of June, eighteen hundred and sixty-six, by reason of their being in the civil service of the United States, shall be paid their said pensions, withheld by virtue of said section of the act aforesaid, for and during the said period of time from the third of March, eighteen hundred and sixty-five, to the sixth of June, eighteen hundred and sixty-six.

Soldiers in the civil service. Payment of pensions withheld.

Approved, March 1, 1879.

CHAP. 125.—An act to amend the laws relating to internal revenue.

March 1, 1879.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any collector of internal revenue, or any deputy collector or other employee of, or person acting for, such collector, who shall issue any stamp or stamps indicating the payment of any internal-revenue tax, before payment in full therefor has been made to the officer or person issuing the same, shall be deemed guilty of a misdemeanor, and shall be fined for each stamp thus issued an amount equal to the face value thereof, in addition to the liability of the collector on his official bond on account of such stamp; and such collector, deputy collector, or employee shall be dismissed from office.

Internal revenue.

Issuing stamps before payment of tax.

Penalty.

SEC 2. That the Revised Statutes of the United States be amended as follows, namely:

Revised Statutes amended.

That section seven hundred and ninety-seven be amended by adding thereto the following:

R. S. 797, Amended.

“He shall also, at the close of each quarter or within ten days thereafter, report to the Commissioner of Internal Revenue all moneys paid into court on account of cases arising under the internal-revenue laws, as well as all moneys paid on suits on bonds of collectors of internal revenue. The report shall show the name and nature of each case, the date of payment into court, the amount paid on account of debt, tax, or penalty, and also the amount on account of costs. If such money, or any portion thereof, has been paid by the clerk to any internal-revenue officer or other person, the report shall show to whom each of such payments was made; and if to an internal-revenue officer, it shall be accompanied by the receipt of such officer.”

Report of money paid into court.

Details.

That section thirty-one hundred and forty-three of the United States Revised Statutes be amended to read as follows:

R. S. 3143, Amended.

“SEC. 3143. Every collector, before entering upon the duties of his office, shall execute a bond for such amount as may be prescribed by the Commissioner of Internal Revenue, under the direction of the Secretary of the Treasury, with not less than five sureties, to be approved by the Solicitor of the Treasury, conditioned that said collector shall faithfully perform the duties of his office according to law, and shall justly and faithfully account for and pay over to the United States, in compliance with the order or regulations of the Secretary of the Treasury, all public moneys which may come into his hands or possession; and he shall, from time to time, renew, strengthen, and increase his official bond, as the Secretary of the Treasury may direct, with such further conditions as the said commissioner shall prescribe; and he shall execute a new bond whenever required so to do by the Secretary of the Treasury, with such conditions as may be required by law or prescribed by the Commissioner of Internal Revenue, with not less than five sureties; which new bond shall be in lieu of any former bond or bonds

Collector's bond.

Sureties. Conditions.

Renewal, etc.

- Where filed. of such collector in respect to all liabilities accruing after the date of its approval by the Solicitor of the Treasury. Said bonds shall be filed in the office of the First Comptroller of the Treasury."
- R. S. 3144, Amended. That section thirty-one hundred and forty-four of the Revised Statutes be amended so as to read:
- Collectors as disbursing agents. "SEC. 3144. It shall be the duty of collectors of internal revenue to act as disbursing agents of the Treasury for the payment of all expenses of collection of taxes and other expenditures for the internal-revenue service within their respective districts, under regulations and instructions from the Secretary of the Treasury, on giving good and sufficient bond, with such sureties, in such form, and in such penal sum, as shall be prescribed by the First Comptroller of the Treasury, and approved by the Secretary of the Treasury, for the faithful performance of their duties as such disbursing agents; but no additional compensation shall be paid to collectors for such services."
- Bond. That section thirty-one hundred and forty-nine be amended by striking out all excepting the number thereof, and inserting in lieu thereof the following:
- No compensation. "In case of the sickness or absence of a collector, or in case of his temporary disability to discharge his duties, they shall devolve upon his senior deputy, unless he shall have devolved them upon another of his deputies; and for the official acts or defaults of such deputies the collector and his sureties shall be held responsible to the United States.
- R. S. 3149, Amended. "In case of a vacancy occurring in the office of collector, the deputies of such collector shall continue to act until his successor is appointed; and until a successor is appointed, the deputy of such collector senior in service shall discharge all the duties of collector, and also the duties of disbursing agent; and of two or more deputies appointed on the same day, the one residing nearest the residence of the collector when the vacancy occurred shall discharge the said duties until another collector is appointed. When it appears to the Secretary of the Treasury that the interest of the government so requires, he may, by his order, direct the said duties to be performed by such other one of the said deputies as he may designate. For the official acts and defaults of the deputy upon whom said duties are devolved, remedy shall be had on the official bond of the collector, as in other cases; and for the official acts and defaults of such deputy as acting disbursing agent, remedy shall be had on the official bond of the collector as disbursing agent. And any bond or security taken from a deputy by a collector, pursuant to section twelve of 'An act to amend existing customs and internal-revenue laws, and for other purposes', approved February eighth, eighteen hundred and seventy-five, shall be available to his legal representatives and sureties to indemnify them for loss or damage accruing from any act or omission of duty by the deputy so continuing or succeeding to the duties of such collector."
- Deputy as acting collector. That section thirty-one hundred and sixty-three be amended by striking out all after the number thereof, and inserting in lieu thereof the following:
- Liability for acts of deputy. "Every collector within his collection-district and every internal-revenue agent shall see that all laws and regulations relating to the collection of internal taxes are faithfully executed and complied with, and shall aid in the prevention, detection, and punishment of any frauds in relation thereto. And it shall be the duty of every collector and of every internal-revenue agent to report to the Commissioner in writing any neglect of duty, incompetency, delinquency, or malfeasance in office of any internal-revenue officer or agent of which he may obtain knowledge, with a statement of all the facts in each case, and any evidence sustaining the same.
- 1875, ch. 36, 18 Stat., 307. "The Commissioner may also transfer any inspector, gauger, store-keeper, or storekeeper and gauger, from one distillery or other place of duty, or from one collection-district, to another."
- R. S. 3163, Amended.
- Enforcement of laws and regulations.
- Reports of neglect, etc.
- Transfer of inspectors, etc.

That section thirty-one hundred and fifty-two of the Revised Statutes be amended by striking out all after the number thereof, and inserting in lieu thereof the following :

R. S. 3152,
Amended.

“ The Commissioner of Internal Revenue may, whenever in his judgment the necessities of the service so require, employ competent agents, not exceeding at any time thirty-five in number, to be paid such compensation as he may deem proper, not exceeding in the aggregate any appropriation made for that purpose; and he may, at his discretion, assign any such agent to duty under the direction of any officer of internal revenue, or to such other special duty as he may deem necessary; and no general or special agent or inspector, by whatever designation he may be known, of the Treasury Department, in connection with the internal revenue, except inspectors of tobacco, snuff, and cigars, and except as provided for in this title, shall be appointed, commissioned, employed, or continued in office.

Internal-revenue agents.
Number.

Greater number prohibited.

“ The agents whose employment is authorized by this section shall be known and designated as internal-revenue agents, and they shall have all the powers of entry and examination conferred upon any officer of internal revenue, by sections thirty-one hundred and seventy-seven, thirty-two hundred and seventy-seven, thirty-two hundred and eighty-six, and thirty-three hundred and eighteen of the Revised Statutes; and all the provisions of said sections, including those imposing fines, forfeitures, penalties, or other punishments for the enforcement thereof, are hereby made applicable to the action of internal-revenue agents, in the same manner as if such agents were specially named in each of said sections.

Title.

Powers.
R. S. 3177.
R. S. 3277.
R. S. 3286.
R. S. 3318.
Laws applied to

“ And all the provisions of sections thirty-one hundred and sixty-seven, thirty-one hundred and sixty-eight, thirty-one hundred and sixty-nine, and thirty-one hundred and seventy-one of the Revised Statutes shall apply to internal-revenue agents as fully as to internal-revenue officers.”

R. S. 3167.
R. S. 3168.
R. S. 3169.
R. S. 3171.

That section thirty-one hundred and sixty-five be amended by inserting in line four, after the words “ by law”, the words “ or regulation authorized by law”.

R. S. 3165,
Amended.

That section thirty-one hundred and seventy-one be amended by striking out “ for or on account of any act by him done”, and inserting “ in the discharge of his duty”.

R. S. 3171,
Amended.

That the act entitled “ An act to amend existing customs and internal-revenue laws, and for other purposes”, approved February eighth, eighteen hundred and seventy-five, be amended as follows namely: That section twelve be amended to read as follows:

1875, ch. 36,
18 Stat., 307,
Amended.

“ SEC. 12. That each collector of internal revenue shall be authorized to appoint, by an instrument in writing under his hand, as many deputies as he may think proper, to be compensated for their services by such allowances as shall be made by the Secretary of the Treasury, upon the recommendation of the Commissioner of Internal Revenue. Allowances shall also be made in like manner for salary and office expenses of collectors, all of which shall be in lieu of the salary and commissions heretofore provided by law: *Provided, however,* That the salaries of collectors shall be fixed at two thousand dollars each per annum where the annual collections amount to twenty-five thousand dollars or less, and shall, by the Secretary, on the recommendation of the Commissioner, be graduated up to the maximum limit of four thousand five hundred dollars; which latter sum shall be allowed in all cases where the collections amount to one million of dollars or upward; and the collector shall have power to revoke the appointment of any such deputy, giving such notice thereof as the Commissioner of Internal Revenue may prescribe, and to require and accept bonds or other securities from any deputy; and actions upon such bonds may be brought in any appropriate district or circuit court of the United States; which courts are hereby given jurisdiction of such actions concurrently with the courts of the several States. Each such deputy shall have the like authority in every respect to collect the taxes levied or assessed within the portion of the district assigned

Deputy collectors of internal revenue.

Allowances to collectors.

Salaries.

Maximum.

Revocation of deputy's appointment.

Bonds.

Powers of deputies.

to him which is by law vested in the collector himself; but each collector shall, in every respect, be responsible, both to the United States and to individuals, as the case may be, for all moneys collected, and for every act done or neglected to be done, by any of his deputies while acting as such."

1875, ch. 36,
18 Stat., 307.

And that section thirteen of said act be amended so as to read as follows:

Expenses of collectors.

"SEC. 13. That there shall be further paid, after the account thereof has been rendered to and approved by the proper officers of the Treasury, to each collector, his necessary and reasonable charges for advertising, stationery, and blank books used in the performance of his official duties, and for postage actually paid on letters and documents received or sent and exclusively relating to official business but no such account shall be approved or allowed unless it states the date and the particular items of every such expenditure, and shall be verified by the oath of the collector: *Provided*, That the Secretary of the Treasury, on the recommendation of the Commissioner of Internal Revenue, be authorized to make such further allowances, from time to time, as may be reasonable, in cases in which, from the territorial extent of the district, or from the amount of internal duties collected, it may seem just to make such allowances; but no such allowance shall be made if more than one year has elapsed since the close of the fiscal year in which the services were rendered. But the total net compensation of a collector shall not in any case exceed four thousand five hundred dollars a year; and no collector shall be entitled to any portion of the salary pertaining to the office unless such collector shall have been confirmed by the Senate, except in cases of commissions to fill vacancies occurring during the recess of the Senate."

Additional allowances.

Total net compensation.

Confirmation by Senate.

ASSESSMENT AND COLLECTION.

R. S. 3173,
Amended.

SEC. 3. That the Revised Statutes be amended as follows, namely:

That section thirty-one hundred and seventy-three be amended by striking out all after the said number, and substituting therefor the following:

Tax returns.

"It shall be the duty of any person, partnership, firm, association, or corporation, made liable to any duty, special tax, stamp, or tax imposed by law, when not otherwise provided for, in case of a special tax, on or before the thirtieth day of April in each year, and in other cases before the day on which the taxes accrue, to make a list or return, verified by oath or affirmation, to the deputy collector of the district where located, of the articles or objects charged with a special duty or tax, the quantity of goods, wares, and merchandise made or sold, and charged with a specific or ad valorem duty or tax, the several rates and aggregate amount, according to the forms and regulations to be prescribed by the Commissioner of Internal Revenue, under the direction of the Secretary of the Treasury, for which such person, partnership, firm, association or corporation is liable: *Provided*, That if any person liable to pay any duty or tax, or owning, possessing, or having the care or management of property, goods, wares, and merchandise, articles or objects liable to pay any duty, tax, or license, shall fail to make and exhibit a list or return required by law, but shall consent to disclose the particulars of any and all the property, goods, wares, and merchandise, articles and objects liable to pay any duty or tax, or any business or occupation liable to pay any special tax as aforesaid, then, and in that case, it shall be the duty of the deputy collector to make such list or return, which, being distinctly read, consented to, and signed and verified by oath or affirmation by the person so owning, possessing, or having the care and management as aforesaid, may be received as the list of such person: *Provided further*, That in case any person shall be absent from his or her residence or place of business at the time a deputy collector shall call for the annual list or return and no annual list or return has been rendered by such per-

Assessment by consent.

Absentees.

son to the deputy collector as required by law, it shall be the duty of such deputy collector to leave at such place of residence or business, with some one of suitable age and discretion, if such be present, otherwise to deposit in the nearest post-office, a note or memorandum, addressed to such person, requiring him or her to render to such deputy collector the list or return required by law, within ten days from the date of such note or memorandum, verified by oath or affirmation. And if any person on being notified or required as aforesaid shall refuse or neglect to render such list or return within the time required as aforesaid or whenever any person who is required to deliver a monthly or other return of objects subject to tax fails to do so at the time required, or delivers any return which, in the opinion of the collector, is false or fraudulent, or contains any under-valuation or under-statement, it shall be lawful for the collector to summon such person, or any other person having possession, custody, or care of books of account containing entries relating to the business of such person, or any other person he may deem proper, to appear before him and produce such books, at a time and place named in the summons, and to give testimony or answer interrogatories, under oath, respecting any objects liable to tax or the returns thereof. The collector may summon any person residing or found within the State in which his district lies; and when the person intended to be summoned does not reside and cannot be found within such State, he may enter any collection-district where such person may be found, and there make the examination herein authorized. And to this end he may there exercise all the authority which he might lawfully exercise in the district for which he was commissioned."

That section thirty-one hundred and seventy-six be amended by striking out the words "in all cases" in the nineteenth line, and inserting, after the word "tax" in the twentieth line, the words "unless the neglect or falsity is discovered after the tax has been paid, in which case the amount so added shall be collected in the same manner as the tax."

That section thirty-one hundred and eighty-three be amended by adding the words "excepting only when the same are in payment for stamps sold and delivered; but no collector or deputy collector shall issue a receipt in lieu of a stamp representing a tax."

That section thirty-one hundred and eighty-six be amended by striking out all after said number, and substituting therefor the following:

"If any person liable to pay any tax neglects or refuses to pay the same after demand, the amount shall be a lien in favor of the United States from the time when the assessment-list was received by the collector, except when otherwise provided, until paid, with the interest, penalties, and costs that may accrue in addition thereto, upon all property and rights to property belonging to such person."

That section thirty-one hundred and ninety-seven of the Revised Statutes be amended by striking out all after the said number and substituting therefor the following:

"The officer making the seizure mentioned in the preceding section shall give notice to the person whose estate it is proposed to sell by giving him in hand, or leaving at his last or usual place of abode, if he has any such within the collection-district where said estate is situated, a notice, in writing, stating what particular estate is to be sold, describing the same with reasonable certainty, and the time when and place where said officer proposes to sell the same; which time shall not be less than twenty nor more than forty days from the time of giving said notice. The said officer shall also cause a notification to the same effect to be published in some newspaper within the county where such seizure is made, if any such there be, and shall also cause a like notice to be posted at the post-office nearest to the estate seized, and in two other public places within the county; and the place of said sale shall not be more than five miles distant from the estate seized, except by special order of the Commissioner of Internal Revenue. At the time and place appointed, the officer making such seizure shall proceed to sell the said estate at

Absentees.

Failure to make returns.

False return.

Examinations of persons and papers.

In State.

Out of State.

R. S. 3176, Amended.

Additional tax.

R. S. 3183, Amended.

R. S. 3186, Amended.

Taxes to be a lien.

R. S. 3197, Amended.

Notice of seizure and sale to owner.

Public notice.

How sold.

- Price, etc. public auction, offering the same at a minimum price, including the expense of making such levy, and all charges for advertising and an officer's fee of ten dollars. When the real estate so seized consists of several distinct tracts or parcels, the officer making sale thereof shall offer each tract or parcel for sale separately, and shall, if he deem it advisable, apportion the expenses, charges, and fees aforesaid to such several tracts or parcels, or to any of them, in estimating the minimum price aforesaid. If no person offers for said estate the amount of said minimum price, the officer shall declare the same to be purchased by him for the United States; otherwise the same shall be declared to be sold to the highest bidder.
- Purchase for United States. "And in case the same shall be declared to be purchased for the United States, the officer shall immediately transmit a certificate of the purchase to the Commissioner of Internal Revenue, and, at the proper time, as hereafter provided, shall execute a deed therefor, after its preparation and the indorsement of approval as to its form by the United States district attorney for the district in which the property is situate, and shall without delay, cause the same to be duly recorded in the proper registry of deeds, and immediately thereafter shall transmit such deed to the Commissioner of Internal Revenue."
- Adjournment of sale. "And said sale may be adjourned from time to time by said officer for not exceeding thirty days in all, if he shall think it advisable so to do. If the amount bid shall not be then and there paid, the officer shall forthwith proceed to again sell said estate in the same manner.
- Disposition of title papers. "And it is hereby provided, That all certificates of purchase, and deeds of property purchased by the United States under the internal-revenue laws, on sales for taxes, or under executions issued from United States courts, which now are, or hereafter may be, found in the office of any collector, United States marshal, or United States district attorney, shall be immediately transmitted by such officers respectively to the Commissioner of Internal Revenue.
- Fee to district attorney. "And it is hereby further provided, That for the preparation and approval by the United States district attorney of each deed as above required, a fee of five dollars shall be allowed to that officer, to be paid by the United States, and which he shall account for in his emolument returns."
- R. S. 3203, Amended. That section thirty-two hundred and three of the Revised Statutes be amended by striking out all after said number, and substituting therefor the following:
- Record of sales. "It shall be the duty of every collector to keep a record of all sales of land made in his collection-district, whether by himself or his deputies, or by another collector, in which shall be set forth the tax for which any such sale was made, the dates of seizure and sale, the name of the party assessed and all proceedings in making said sale, amount of fees and expenses, the name of the purchaser and the date of the deed; and said record shall be certified by the officer making the sale. And on or before the fifth day of each succeeding month he shall transmit a copy of such record of the preceding month to the Commissioner of Internal Revenue.
- Copy to Commissioner. "And it shall be the duty of every deputy making sale, as aforesaid, to return a statement of all his proceedings to the collector, and to certify the record thereof. In case of the death or removal of the collector, or the expiration of his term of office from any other cause, said record shall be delivered to his successor in office; and a copy of every such record, certified by the collector, shall be evidence in any court of the truth of the facts therein stated."
- Duty of deputy. "And it shall be the duty of every deputy making sale, as aforesaid, to return a statement of all his proceedings to the collector, and to certify the record thereof. In case of the death or removal of the collector, or the expiration of his term of office from any other cause, said record shall be delivered to his successor in office; and a copy of every such record, certified by the collector, shall be evidence in any court of the truth of the facts therein stated."
- Death of collector. "And it shall be the duty of every deputy making sale, as aforesaid, to return a statement of all his proceedings to the collector, and to certify the record thereof. In case of the death or removal of the collector, or the expiration of his term of office from any other cause, said record shall be delivered to his successor in office; and a copy of every such record, certified by the collector, shall be evidence in any court of the truth of the facts therein stated."
- R. S. 3205, Amended. That section thirty-two hundred and eight be amended by striking out all after the said number, and substituting therefor the following:
- Custody of real estate. "The Commissioner of Internal Revenue shall have charge of all real estate which is now or shall become the property of the United States by judgment of forfeiture under the internal-revenue laws, or which has been or shall be assigned, set off, or conveyed by purchase or otherwise to the United States in payment of debts or penalties arising under the

laws relating to internal revenue, or which has been or shall be vested in the United States by mortgage or other security for the payment of such debts, and of all trusts created for the use of the United States in payment of such debts due them; and, with the approval of the Secretary of the Treasury, may, at public vendue, and upon not less than twenty day's notice, sell and dispose of all real estate owned or held by the United States as aforesaid; and until such sale the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may lease such real estate owned as aforesaid on such terms and for such period as they shall deem expedient."

May be sold.

May be leased.

"And in cases where real estate has or may become the property of the United States by conveyance or otherwise, in payment of or as security for a debt arising under the laws relating to internal revenue, and such debt shall have been paid, together with the interest thereon, at the rate of one per centum per month, to the United States, within two years from the date of the acquisition of such real estate, it shall be lawful for the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury to release by deed, or otherwise convey such real estate to the debtor from whom it was taken, or to his heirs or other legal representatives."

Release on payment of debt.

Amend section thirty-two hundred and twenty-three of Revised Statutes by striking out all after the said number, and substituting therefor the following:

R. S. 3223, Amended.

"When the owners of distilled spirits in the cases provided for by the two preceding sections may be indemnified against such tax by a valid claim of insurance, for a sum greater than the actual value of the distilled spirits before and without the tax being paid, the tax shall not be remitted to the extent of such insurance."

Tax on insured spirits destroyed.

SPECIAL TAXES.

SEC. 4. That section thirty-two hundred and forty-four of the Revised Statutes be amended as follows, namely, by adding after the fifth clause of said section:

R. S. 3244, Amended.

"But no special tax shall be held to accrue on a sale of distilled spirits, wines, or malt liquors made by a person who is not otherwise a dealer in liquors, where such spirits, wines, or liquors have been received by the person so selling as security for or in payment of a debt, or as executor, administrator, or other fiduciary, or have been levied on by any officer, under order or process of any court or magistrate, and where such spirits are sold by such person in one parcel only, or at public auction in parcels not less than twenty wine-gallons, nor shall such tax be held to accrue on a sale made by a retiring partner, or the representatives of a deceased partner to the incoming, remaining, or surviving partner or partners of a firm; nor shall the special tax of a wholesale liquor-dealer or wholesale dealer in malt liquors be held to apply to a retail dealer in liquors or a retail dealer in malt liquors, because of such retail dealer selling out his entire stock of liquors in one parcel, or in parcels embracing not less than his entire stock of distilled spirits, of wines, or of malt liquors; and section thirty-three hundred and nineteen of the Revised Statutes shall not be held to prohibit a rectifier or liquor-dealer from purchasing, in quantities greater than twenty wine-gallons, the distilled spirits sold in one parcel as aforesaid."

Tax on sales of spirits. By fiduciary.

By court officers.

By retiring partner.

By retailer, of entire stock.

R. S. 3319, Limited.

That the third subdivision of section thirty two hundred and forty four be amended by inserting after the word "Provided", where it first occurs in said subdivision, the words following: "That any person who rectifies, purifies, refines, or manufactures as aforesaid less than five hundred barrels a year, counting forty gallons of proof spirits to the barrel, shall pay one hundred dollars. *And provided*".

R. S. 3244, Rectifiers' tax.

That section eighteen of "An act to amend existing customs and internal-revenue laws, and for other purposes", approved February eighth, eighteen hundred and seventy five be amended to read as follows:

1875, ch. 36, 18 Stat., 307.

"SEC. 18. That retail dealers in liquors shall pay twenty-five dollars. Every person who sells, or offers for sale, foreign or domestic distilled

Dealers' tax. Retail dealers.

spirits wines, or malt liquors, otherwise than as hereinafter provided, in less quantities than five wine gallons at the same time, shall be regarded as a retail dealer in liquors. Wholesale liquor-dealers shall each pay one hundred dollars. Every person who sells, or offers for sale, foreign or domestic distilled spirits, wines, or malt liquors, otherwise than as hereinafter provided, in quantities of not less than five wine-gallons at the same time, shall be regarded as a wholesale liquor-dealer. But no distiller who has given the required bond and who sells only distilled spirits of his own production at the place of manufacture in the original packages to which the tax-stamps are affixed, shall be required to pay the special tax of a wholesale liquor-dealer on account of such sales. Retail dealers in malt liquors shall pay twenty dollars. Every person who sells, or offers for sale, malt liquors in less quantities than five gallons at one time, but who does not deal in spirituous liquors, shall be regarded as a retail dealer in malt liquors. Wholesale dealers in malt liquors shall pay fifty dollars. Every person who sells, or offers for sale, malt liquors in quantities of not less than five gallons at one time, but who does not deal in spirituous liquors at wholesale, shall be regarded as a wholesale dealer in malt liquors: *Provided*, That no brewer shall be required to pay a special tax as a dealer by reason of selling in the original stamped packages whether at the place of manufacture or elsewhere, malt liquors manufactured by him, or purchased and procured by him in his own casks or vessels, under the provisions of section thirty-three hundred and forty-nine of the Revised Statutes; but the quantity of malt liquors so purchased shall be included in calculating the liability to brewer's special tax of both the brewer who manufactures and sells the same and the brewer who purchases the same: *And it is hereby provided*, That no further collection of special tax as retail dealers in malt liquors shall be made from brewers for selling malt liquors of their own manufacture in the original stamped eighth-barrell package: *Provided further*, That any assessments of additional special tax against wholesale liquor-dealers or retail liquor-dealers, or against brewers for selling malt liquors of their own production at the place of manufacture in the original casks or packages, made by reason of an amendment to section fifty-nine of the internal-revenue act approved July twentieth, eighteen hundred and sixty-eight, as amended by section thirteen of the act approved June sixth, eighteen hundred and seventy-two, further amending said section fifty-nine by striking out the words 'malt liquor', 'malt liquors', 'brewer', and 'malt liquors' in the three several paragraphs in which they occur, shall be on proper proofs, remitted; and if such assessments have been paid, the amounts so paid shall be, on proper proofs, refunded by the Commissioner of Internal Revenue."

Wholesale dealers.

Distillers excepted.

Retail dealers in malt liquors.

Wholesale dealers in malt liquors.

Brewers excepted.

R. S. 3349.

Brewers excepted.

Return, etc., of special tax.

1868, ch. 186,
15 Stat., 150,
1872, ch. 315,
17 Stat., 243.

DISTILLED SPIRITS.

SEC. 5. That section thirty-two hundred and forty-six of the Revised Statutes of the United States be amended so as to read as follows:

"Nothing in this chapter shall be construed to impose a special tax upon vintners who sell wine of their own growth, or manufacturers who sell wine produced from grapes grown by others, at the place where the same is made or at the general business office of such vintner or manufacturer: *Provided*, That no vintner or manufacturer shall have more than one office for the sale of such wine that shall be exempt from special tax under this act; nor shall any special tax be imposed upon apothecaries as to wines or spirituous liquors which they use exclusively in the preparation or making-up of medicines."

That section thirty-two hundred and sixty-four be, and the same is hereby, amended by striking out all after the said number, and substituting therefor the following:

"On receipt of notice that any person, firm, or corporation wishes to commence the business of distilling, the collector, or a deputy collector, to be designated by him, shall proceed in person, at the expense of the United States, with the aid of an assistant designated by the Commis-

R. S. 3246,
Amended.
Vintners.

Proviso.

Apothecaries.

R. S. 3264,
Amended.

Survey of distillery.

sioner of Internal Revenue for the purpose of making surveys of distilleries in that district, to make a survey of such distillery for the purpose of estimating and determining its true spirit-producing capacity for a day of twenty-four hours. In all surveys, forty-five gallons of mash or beer brewed or fermented from grain shall represent not less than one bushel of grain, and seven gallons of mash or beer brewed or fermented from molasses shall represent not less than one gallon of molasses, except in distilleries operating on the sour mash principle, in which distilleries sixty gallons of beer brewed or fermented from grain shall represent not less than one bushel of grain. A written report of such survey shall be made in triplicate, of which one copy shall be delivered to the distiller, one copy shall be retained by the collector, and one copy shall be transmitted to the Commissioner of Internal Revenue, and the survey shall take effect upon the delivery of such copy to the distiller. Whenever the Commissioner is satisfied that any report of the capacity of a distillery is incorrect or needs revision, he shall direct the collector to make in like manner another survey of said distillery, and the report thereof shall be made and deposited as hereinbefore required: *Provided*, That the survey of any distillery estimated and stated by the distiller, in his notice of intention to distill, as capable of distilling not more than one hundred and fifty proof-gallons of distilled spirits every twenty-four hours may be made by the collector or by a deputy collector without the aid of an assistant; and that all surveys made for the purpose of correcting clerical errors or errors of computation existing in the report of a previous survey, and all surveys made for the purpose of changing the true spirit-producing capacity of any distillery for a day of twenty-four hours as estimated and determined by a previous survey, but which surveys do not require the remeasuring of the fermenting-tubs in a grain or molasses distillery, or the still or stills in a distillery of apples, peaches, or grapes exclusively, may be made without taking the measurements of the fermenting tubs or stills, as the case may be, and without revisiting the distillery: *And provided further*, That the Commissioner of Internal Revenue may, whenever he shall deem it proper, designate an officer, agent, or person other than the collector or deputy collector, to make, with or without the aid of a designated assistant, the surveys and resurveys hereinabove provided for."

Basis of capacity.

Report of survey.

Resurvey.

Proviso.

Correcting surveys

Special surveying officer.

That section thirty-two hundred and seventy-six and section thirty-two hundred and eighty six be amended by inserting, before the words "one thousand dollars" wherever they occur in each of said sections, the words "not exceeding".

R. S. 3276,
R. S. 3286,
Amended.

That section thirty-two hundred and eighty-two of the Revised Statutes be amended by striking out the words "or any vapor of alcoholic spirits", immediately following the word "alcohol" in the eighth line of said section, and also by striking out the words at the close of said section namely: "But nothing herein contained shall be construed to authorize the distillation of such fermented liquids except in an authorized distillery", and inserting in lieu thereof the following: "But no worm, goose-neck, pipe, conductor, or contrivance of any description whatsoever whereby vapor might in any manner be conveyed away and converted into distilled spirits, shall be used or employed or be fastened to or connected with any vaporizing apparatus used for the manufacture of vinegar; nor shall any worm be permitted on or near the premises where such vaporizing process is carried on. Nor shall any vinegar factory, for the manufacture of vinegar as aforesaid, be permitted within six hundred feet of any distillery or rectifying house. But it shall be lawful for manufacturers of vinegar to separate, by a vaporizing process, the alcoholic property from the mash produced by them, and condense the same by introducing it into the water or other liquid used in making vinegar. No person, however, shall remove, or cause to be removed, from any vinegar factory or place where vinegar is made, any vinegar or other fluid or material containing a greater proportion than two per centum of proof spirits. Any violation of this provision shall incur a

R. S. 3282,
Amended.

Vinegar factory

Vaporizing.

Penalty.

forfeiture of the vinegar, fluid, or material containing such proof spirits, and shall subject the person or persons guilty of removing the same to the punishment provided for any violation of this section. And all the provisions of sections thirty-two hundred and seventy-six, thirty-two hundred and seventy-seven, and thirty-two hundred and seventy-eight of the Revised Statutes of the United States are hereby extended and made applicable to all premises whereon vinegar is manufactured, to all manufacturers of vinegar and their workmen or other persons employed by them."

R. S. 3276.
R. S. 3277.
R. S. 3278.

Exemptions of
small distilleries.

The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may exempt distillers whose distilleries have a daily spirit-producing capacity of thirty gallons of proof spirits, or less, from such of the provisions of existing law in regard to grain distilleries which require the processes of distillation to be carried on through continuous closed vessels and pipes, or which require the cisterns to be connected with the outlet of the worm or condenser by suitable pipes or other apparatus or which require certain clear spaces about the cisterns and other vessels of the distillery, or which require the distillers to have or furnish a plan of the distillery, as he may deem proper.

R. S. 3287,
Amended.

Amend section thirty-two hundred and eighty-seven (Revised Statutes of the United States) by striking out all after said number, and substituting therefor the following:

Distilled spirits.

"All distilled spirits shall be drawn from the receiving-cisterns into casks, each of not less capacity than twenty gallons wine measure, and shall thereupon be gauged, proved, and marked by an internal-revenue gauger, by cutting on the cask containing such spirits, in a manner to be prescribed by the Commissioner of Internal Revenue, the quantity in wine-gallons and in proof gallons of the contents of such casks, and by branding or burning into the head of such cask in letters of not less than one inch in length; and such brand shall distinctly indicate the particular name of such distilled spirits as known to the trade, i. e., high-wines, alcohol, or spirits, as the case may be, and shall be immediately removed into the distillery warehouse, and the gauger shall, in the presence of the storekeeper of the warehouse, place upon the head of the cask an engraved stamp, which shall be signed by the collector of the district and the storekeeper and gauger; and shall have written thereon the number of proof-gallons contained therein, the name of the distiller, the date of the receipt in the warehouse and the serial number of each cask, in progressive order, as the same are received from the distillery. Such serial number for every distillery shall be in regular sequence of the serial number thereof, beginning with number one (No. 1) with the first cask deposited therein after July twentieth, eighteen hundred and sixty-eight, and no two or more casks warehoused at the same distillery shall be marked with the same number. The said stamp shall be as follows:

Marking.

Stamping.

Form of stamp.

"Distillery-warehouse stamp No. —. Issued by ———, collector, ——— district, State of ———, distillery warehouse of ——— ———, 18—. Cask No. —; contents — gallons proof spirits.

—————,
"United States Storekeeper.

"Attest:

—————,
"United States Gauger."

R. S. 3293,
1878, res. 16,
Ante, 249,
Amended.

That section thirty-two hundred and ninety-three as amended by joint resolution approved March twenty-eighth, eighteen hundred and seventy-eight be amended by inserting, after the words "State of ———" in the eleventh line, the words "during the month ending"; by striking out the words "and proof gallons" in the fifteenth line, and inserting in lieu thereof the words "proof gallons and taxable gallons"; by inserting, after the word "shall" and before the word "give" in the eighteenth line, the words "at the time of making said entry"; by striking out the

word "bond" in the twenty-second line, and inserting in lieu thereof the word "entry"; and by adding thereto the words:

"A new bond shall be required in case of the death, insolvency, or removal of either of the sureties, and may be required in any other contingency affecting its validity or impairing its efficiency, at the discretion of the Commissioner of Internal Revenue. And in case the distiller or owner fails or refuses to give the bond hereinbefore required, or to renew the same, or neglects to immediately withdraw the spirits and pay the tax thereon, or if he neglects to withdraw any bonded spirits and pay the tax thereon before the expiration of the time limited in the bond, the collector shall proceed to collect the tax by distraint, issuing his warrant of distraint for the amount of tax found to be due, as ascertained by him from the report of the gauger if no bond was given, or from the terms of the bond if a bond was given. But this provision shall not exclude any other remedy or proceeding provided by law."

New bonds.

Failure to renew,
etc.

"If it shall appear at any time that there has been a loss of distilled spirits from any cask or other package hereafter deposited in a distillery warehouse, other than the loss provided for in section three thousand two hundred and twenty one of the Revised Statutes of the United States, which, in the opinion of the Commissioner of Internal Revenue, is excessive, he may instruct the collector of the district in which the loss has occurred, to require the withdrawal from warehouse of such spirits, and to collect the tax accrued upon the original quantity of distilled spirits entered into the warehouse in such cask or package, together with the interest accrued thereon, if any, notwithstanding that the time specified in any bond given for the withdrawal of the spirits entered into warehouse in such cask or package has not expired. If the said tax and interest are not paid on demand, the collector shall report the amount due upon his next monthly list, and it shall be assessed and collected as other taxes are assessed and collected."

Loss of spirits.
R. S. 3221.

That section thirty-two hundred and ninety-four be amended by striking out all after the said number, and substituting therefor the following:

R. S. 3294,
Amended.

"Any distilled spirits may, on payment of the tax thereon, be withdrawn from warehouse on application to the collector of the district in charge of such warehouse, on making a withdrawal entry in duplicate and in the following form:

Withdrawal
from warehouse.

"ENTRY FOR WITHDRAWAL OF DISTILLED SPIRITS FROM WAREHOUSE.

"Tax paid

"Entry of distilled spirits to be withdrawn, on payment of the tax, from warehouse of distillery number _____, situated in the _____ district of _____, by _____, deposited on the _____ day of _____, anno Domini _____, by _____, in said warehouse.

Form of entry.

"And the entry shall specify the whole number of casks, with the marks and serial numbers thereon, the number of gauge or wine gallons, and of proof gallons and taxable gallons, and the amount of the tax on the distilled spirits contained in them; and on payment of the tax the collector shall issue his order to the storekeeper in charge of the warehouse for the delivery. One of said entries shall be filed in the office of the collector, and the other transmitted by him to the Commissioner of Internal Revenue.

That section thirty-three hundred and one be amended by striking out all after the said number, and substituting therefor the following:

R. S. 3301,
Amended.

"Every storekeeper shall keep a warehouse-book, which shall at all times be open to the examination of any revenue officer, and shall enter therein an account of all articles deposited in the warehouse to which he is assigned, indicating in each case the date of deposit, by whom manufactured or produced, the number and description of the packages and contents, the quantities therein, the marks and serial numbers thereon,

Storekeepers'
record.

and by whom gauged, inspected, or weighed, and if distilled spirits, the number of gauge or wine gallons, of proof-gallons, and of taxable gallons; and before delivering any article from the warehouse he shall enter in said book the date of the permit or order of the collector for the delivery of such articles, the number and description of the packages, the marks and serial numbers thereon, the date of delivery, to whom delivered, and for what purpose, which purpose shall be specified in the permit or order for delivery; and in case of delivery of any distilled spirits the number of gauge or wine gallons, of proof-gallons, and of taxable gallons, shall also be stated; and such further particulars shall be entered in the warehouse-books as may be prescribed or found necessary for the identification of the packages, to insure the correct delivery thereof and proper accountability therefor. And every storekeeper shall furnish daily to the collector of the district a return of all articles received in and delivered from the warehouse during the day preceding that on which the return is made, and mail at the same time a copy thereof to the Commissioner of Internal Revenue, and shall, on the first Monday of every month, make a report in duplicate of the number of packages of all articles, with the respective descriptions thereof, as above provided, which remained in the warehouse at the date of his last report, of all articles received therein and delivered therefrom during the preceding month, and of articles remaining therein at the end of said month. He shall deliver one of these reports to the collector having control of the warehouse, to be recorded and filed in his office, and transmit one to the Commissioner of Internal Revenue, to be recorded and filed in his office."

Storekeepers' returns.

R. S. 3314,
Amended.

Tax-paid stamps.

That section thirty-three hundred and fourteen be amended by striking out all after the said number, and substituting the following:

"The books of tax paid stamps issued to any collector shall be charged to his account at the full value of the tax on the number of gallons represented on the stamps and coupons contained in said books; and every collector shall make a monthly return to the Commissioner of Internal Revenue of all tax-paid stamps issued by him to be affixed to any cask or package containing distilled spirits on which the tax has been paid, and account for the amount of the tax collected; and when the said collector returns to the Commissioner of Internal Revenue any book of marginal stubs, which it shall be his duty to do as soon as all the stamps contained in the book when issued to him have been used, and accounts for the tax on the number of gallons represented on the stamps and coupons that were contained in said book, there shall be allowed to the collector a commission of one-half of one per centum on the amount of such tax, in addition to any other commission by law allowed: *Provided*, That the total net compensation of collectors as fixed by this title shall not be thereby increased. All stamps relating to distilled spirits, other than the tax-paid stamps, shall be charged to collectors as representing the value of ten cents for each stamp; and the books containing such stamps may be intrusted by any collector to the gauger of the district, who shall make a daily report to the collector of all such stamps used by him and for whom used; the collector shall collect the amount due for such stamps at the rate of ten cents for each stamp issued, in such manner and at such time as the Commissioner of Internal Revenue may prescribe, and the Commissioner may, in his discretion, make assessment therefor; and when all the stamps contained in any such book have been issued, the gauger of the district shall return the book to the collector, with all the marginal stubs therein."

Return of stubs.

Commissions.

Proviso.

Other stamps.

Charge for stamps.

R. S. 3315,
Amended.

Defaced stamps.

That section thirty-three hundred and fifteen be amended by striking out all after the said number and substituting therefor the following:

"The Commissioner of Internal Revenue may, under regulations prescribed by him with the approval of the Secretary of the Treasury, issue stamps for restamping packages of distilled spirits, tobacco, cigars, snuff, cigarettes and fermented liquors which have been duly stamped, but

from which the stamps have been lost or destroyed by unavoidable accident."

That section thirty-three hundred and seventeen be amended so as to read as follows:

"That on or before the tenth day of each month every person engaged in rectifying or compounding distilled spirits shall make, in such form as may be prescribed by the Commissioner of Internal Revenue, a return to the collector of the district, showing the quantity of spirits received for rectification, and from whom received, the quantity dumped for rectification, the quantity rectified, the quantity removed after rectification during the preceding month, and giving such other information as may be required by the Commissioner of Internal Revenue, such return to be made in duplicate and sworn to by the rectifier; and the collector shall forward one of such returns to the Commissioner of Internal Revenue. Every person who engages in, or carries on, the business of a rectifier with intent to defraud the United States of the tax on the spirits rectified by him, or any part thereof, or with intent to aid, abet, or assist any person or persons in defrauding the United States of the tax on any distilled spirits, or who shall purchase or receive or rectify any distilled spirits which have been removed from a distillery to a place other than the distillery-warehouse provided by law, knowing or having reasonable grounds to believe that the tax on said spirits, required by law, has not been paid, shall, for every such offense, be fined not less than one thousand dollars nor more than five thousand dollars, and imprisoned not less than six months nor more than two years."

That section thirty-three hundred and eighteen be amended by adding thereto the following words:

"That every person required to keep the books prescribed by this section shall, on or before the tenth day of each month, make a full and complete transcript of all entries made in such book during the month preceding, and, after verifying the same by oath, shall forward the same to the collector of the district in which he resides. Any failure by reason of refusal or neglect to make said transcripts shall subject the person so offending to a fine of one hundred dollars for each neglect or refusal."

That section thirty-three hundred and thirty-two be amended by adding thereto as follows:

"And in case of seizure of a still, doubler, worm, worm-tub, mash-tub, fermenting-tub, or other distilling apparatus, having a less producing capacity than one hundred and fifty gallons per day, for any offense involving forfeiture of the same, where said apparatus shall be of less than five hundred dollar's value, and where it shall be impracticable to remove the same to a place of safe storage from the place where seized, the seizing officer is authorized to destroy the same only so far as to prevent the use thereof, or any part thereof, for the purpose of distilling: *Provided*, That such destruction shall be in the presence of at least one credible witness, and that such witness shall unite with the said officer in a duly sworn report of said seizure and destruction, to be made to the Commissioner of Internal Revenue, in which report they shall set forth the grounds of the claim of forfeiture, the reasons for such seizure and destruction, their estimate of the fair cash value of the apparatus destroyed, and also of the materials remaining after such destruction, and a statement that, from facts within their own knowledge, they have no doubt whatever that said distilling apparatus was set up for use and not registered, or had been used in the unlawful distillation of spirits, and that it was impracticable to remove the same to a place of safe storage. Within one year after such destruction the owner of the apparatus so destroyed may make application to the Secretary of the Treasury, through the Commissioner of Internal Revenue, for reimbursement of the value of the same; and unless it shall be made to appear to the satisfaction of the Secretary and the Commissioner that said apparatus had been used in the unlawful distillation of spirits, the Secretary shall make an allowance to said owner, not exceeding the value of said apparatus, less the value

R. S. 3317,
Amended.

Returns of rectifiers.

Penalty for unlawful rectifying.

Purchasing same.

R. S. 3318,
Amended.

Transcript of books.

Penalty.

R. S. 3332,
Amended.

Distilling apparatus may be destroyed.

Witness of destruction.

Report.

Reimbursement.

- of said materials as estimated in said report; and if the claimant shall thereupon satisfy said Secretary and Commissioner that said unlawful use of the apparatus had been without his consent or knowledge, he shall still be entitled to such compensation, but not otherwise. And in case of a wrongful seizure and destruction of property under the foregoing provisions, the owner thereof shall have right of action on the official bond of the officer who occasioned the destruction for all damages caused thereby."
- Right of action.** That section thirty-three hundred and thirty-four be amended by adding thereto as follows:
- R. S. 3334, Amended.** "Provided: That in all cases wherein it shall appear that any distilled spirits offered for sale on distraint for taxes, where the taxes on such spirits have not been paid, or offered for sale for the benefit of the United States as forfeited spirits under order of court or under proceeding pursuant to section thirty-four hundred and sixty of the Revised Statutes, will not, by reason of such spirits being below proof, being a price equal to the tax due and payable thereon, but will bring a price equal to, or greater than, the tax on said spirits, computed only upon the proof-gallons contained in the packages, without regard to the greater number of wine-gallons contained therein, then, and in such case, upon sale being so made, tax-paid stamps to the amount required to stamp such spirits as if the tax thereon were only on the proof-gallons thereof, may, under such rules and regulations as the Commissioner of Internal Revenue shall prescribe, be used by the collector making such sale, or furnished by a collector to a United States marshal, or to any other government officer making such sale for the benefit of the United States, without making payment for said stamps so used or delivered. Any collector using or furnishing stamps in manner aforesaid, on presenting vouchers satisfactory to the Commissioner of Internal Revenue, shall be allowed credit for the same in settling his stamp account with the department. In such cases, the officer selling the distilled spirits shall affix, or cause to be affixed, to the same the tax paid stamps so provided, and shall write across the face of such stamps the true number of proof and wine gallons contained in the package, the amount of tax actually paid thereon, and also the words 'Affixed under provisions of act of _____ 1879'" (inserting the date of the approval of this act).
- Sales of spirits for taxes.** That section thirty three hundred and forty-six be amended by striking out all after the said number, and substituting therefor the following:
- R. S. 3460.** "Every person who makes, sells, or uses any false or counterfeit stamp or permit, or die for printing or making stamps or permits, which is in imitation of or purports to be a lawful stamp, permit, or die of the kind before mentioned in this chapter, or who procures the same to be done, and every person who shall remove, or cause to be removed, from any cask or package of fermented liquors, any stamp denoting the tax thereon, with intent to re-use such stamp, or who, with intent to defraud the revenue, knowingly uses, or permits to be used, any stamp removed from another cask or package, or receives, buys, sells, gives away, or has in his possession, any stamp so removed, or makes any fraudulent use of any stamp for fermented liquors, shall be fined not less than one hundred dollars nor more than one thousand dollars, and imprisoned not less than six months nor more than three years."
- Tax-paid stamps for proof-gallons.** SEC. 6. That whenever, under the provisions of section thirty-three hundred and nine of the Revised Statutes, an assessment shall have been made against a distiller for a deficiency in not producing eighty per centum of the producing capacity of his distillery as established by law, or for the tax upon the spirits that should have been produced from the grain, or fruit, or molasses found to have been used in excess of the capacity of his distillery for any month, as estimated according to law, such excessive use of grain, or fruit, or molasses having arisen from a failure on the part of the distiller to maintain the capacity required by law to enable him to use such grain, or fruit, or molasses with-
- Allowance for same.**
- R. S. 3346, Amended.**
- Counterfeiting, etc., stamps.**
- Deficient production by distiller.**
- R. S. 3309.**

out incurring liability to such assessment, and it shall be made to appear to the satisfaction of the Commissioner of Internal Revenue that said deficiency, or that said failure, whereby such excessive use of grain, molasses, or fruit arose, was not occasioned by any want of diligence or by any fraudulent purpose, on the part of the distiller, but from misunderstanding as to the requirements of the law and regulations in that respect or by reason of unavoidable accidents, then, and in such case, the Commissioner of Internal Revenue, subject to regulations prescribed by the Secretary of the Treasury is authorized, on appeal made to him, to remit or refund such tax, or such part thereof as shall appear to him to be equitable and just in the premises: *Provided*, That no tax shall be remitted or refunded under the provisions of this section upon any assessment made prior to January first, eighteen hundred and seventy-four: *Provided further*, That no assessments shall be charged against any distiller of fruit for any failure to maintain the required capacity, unless the Commissioner shall, within six months after his receipt of each monthly report notify such distiller of such failure so to maintain the required capacity.

That section thirty-two hundred and twenty-one be amended by adding the following: "And when any distilled spirits are hereafter destroyed by accidental fire or other casualty, without any fraud, collusion, or negligence of the owner thereof, after the time when the same should have been drawn off by the gauger and placed in the distillery-warehouse provided by law, no tax shall be collected on such spirits so destroyed, or, if collected, it shall be refunded upon the production of satisfactory proof that the spirits were destroyed as herein specified."

SEC. 7. Every rectifier shall, on filing with the collector his notice of intention to commence or continue business, after the passage of this act, and on the first day of May of each succeeding year, make and execute a bond in form prescribed by the Commissioner of Internal Revenue, with at least two sureties; said bond to be approved by the collector of the district. The penal sum of said bond shall not be less, in the case of a rectifier who rectifies by the process of redistilling or of leaching, or both, than double the amount of tax imposed by law on the spirits that can be rectified by such rectifier during a period of ten days; and the penal sum of the bond required of any rectifier by any other process than those hereinbefore named shall be fixed under such regulations as may be prescribed by the Commissioner of Internal Revenue; but in no case shall the penal sum be less than five hundred dollars nor more than fifty thousand dollars. The condition of said bond shall be that the principal shall faithfully comply with all the provisions of law in relation to the duties and business of rectifiers, and shall pay all taxes, penalties incurred, or fines imposed on him for violation of any of the said provisions. A new bond may be required in case of the death, insolvency, or removal of either of the sureties, and in any other contingency affecting its validity or impairing its efficiency, at the discretion of the collector or Commissioner of Internal Revenue. Any rectifier who, after the passage of this act, shall commence business without giving the bond required by this section, or who shall continue to carry on business, after demand made for such bond, without giving the same, or who shall fail to renew such bond when lawfully required, shall, on conviction, be fined not more than five thousand dollars; and any rectifier who shall give any false, forged, or fraudulent bond shall, on conviction, be subject to the penalties provided for in section fifty-four hundred and eighteen of the Revised Statutes.

SEC. 8. When any rectifier intends to rectify or compound any distilled spirits, he shall give notice in duplicate to the collector of the district, in such form, and giving such particulars as the Commissioner of Internal Revenue may prescribe; one of such notices to be forwarded by the collector to the Commissioner of Internal Revenue.

SEC. 9. Where any marshal or deputy marshal of the United States within the district for which he shall be appointed shall find any person

Deficient production.

Remission of deficiency tax.

Proviso.

Proviso.

R. S. 3221, Amended.

Tax on spirits destroyed by fire.

Rectifier's bond.

Penalty.

Conditions.

New bond.

Penalty for failure to give, etc., bond.

R. S. 5418.

Notice of intention to rectify.

Illicit distillery.

Duty of marshal or deputy. or persons in the act of operating an illicit distillery, it shall be lawful for such marshal or deputy marshal to arrest such person or persons, and take him or them forthwith before some judicial officer named in section one thousand and fourteen of the Revised Statutes, who may reside in the county of arrest or if none, in that nearest to the place of arrest, to be dealt with according to the provisions of sections ten hundred and fourteen, ten hundred and fifteen, ten hundred and sixteen of the said Revised Statutes.

R. S. 1014.
R. S. 1015.
R. S. 1016.

1874, ch. 259,
18 Stat., 64,
Amended.

Export of spirits.

Change of pack-
age.

SEC. 10. That section one of an act entitled "An act to facilitate the exportation of distilled spirits, and amendatory of the acts in relation thereto", approved June ninth, eighteen hundred and seventy-four, be amended by inserting, after the word "therein" in the twelfth line, the words "and for the due performance on the part of the exporter or owner at the port of export of all the requirements in regard to notice of export, entry, and the giving of bond hereinafter specified"; and at the end of said section add, "and whenever a distiller of spirits in bond shall desire to change the packages in which the same is contained, in order to export them, the Commissioner of Internal Revenue shall be authorized, under regulations to be prescribed by him, and upon the execution of proper bonds with sufficient sureties, to permit the withdrawal of so much spirits from bond and in new packages as the distiller shall desire to export as aforesaid."

R. S. 3340,
Amended.

R. S. 3244,
Amended.

Drawback on
stills exported.

That section thirty-three hundred and forty of the Revised Statutes be amended by striking out the words "as aforesaid" in the sixth line.

That section thirty-two hundred and forty-four of Revised Statutes, and second division, be amended by adding thereto the following words: "Upon all stills manufactured for export, and actually exported, there shall be allowed a drawback, where the tax thereon has been paid, under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe."

IMPORTED-LIQUOR STAMPS, &c.

Imported spirits,
etc.

Inspection, etc.

Form of stamp.

Forfeiture for
non-stamping.

Stamp for filled
packages.

Defacing stamps,
etc.

Using imported
package for domes-
tic liquors.

SEC. 11. That all distilled spirits, wines, and malt liquors, imported in pipes, hogsheads, tierces, barrels, casks, or other similar packages, shall be first placed in public store or bonded warehouse, and shall not be removed therefrom until the same shall have been inspected, marked, and branded by a United States customs-gauger, and a stamp affixed to each package, indicating the date and particulars of such inspection; and the Secretary of the Treasury is hereby authorized to prescribe the form of, and provide, the requisite stamps, and to make all regulations which he may deem necessary and proper for carrying the foregoing requirements into effect. Any pipe, hogshead, tierce, barrel, cask, or other package withdrawn from public store or bonded warehouse after the thirtieth day of June, eighteen hundred and seventy-nine, purporting to contain imported liquor, found without having thereon the stamp hereby required, shall be, with its contents, forfeited to the United States; and whenever any cask or package of imported distilled spirits of not less than five wine-gallons is filled for shipment, sale, or delivery on the premises of any wholesale liquor-dealer, the same shall be stamped with a special stamp for imported spirits, under such rules and regulations as the Commissioner of Internal Revenue has prescribed, or may hereafter prescribe, in the case of domestic distilled spirits.

SEC. 12. That every person who empties or draws off, or causes to be emptied or drawn off, the contents of any package of imported liquors stamped as above required, shall, at the time of such emptying, efface, obliterate, and destroy the stamp thereon, and also all other marks or brands which shall have been placed thereon in accordance with the law or regulations concerning imported liquors; and no cask or other package, such as is hereinbefore mentioned, in which distilled spirits, wines, or malt liquors have been imported, shall be used to contain domestic distilled spirits, under penalty of the forfeiture of such re-used cask or pack-

age and the contents thereof. Every cask or other package from which the stamp for imported liquors required by this act to be placed thereon shall not be effaced, obliterated, or destroyed, on emptying such package, shall be forfeited, and the same may be seized by any officer of internal revenue wherever found; and all the provisions and penalties of section thirty-three hundred and twenty-four of the Revised Statutes of the United States, relating to empty casks or packages from which the marks, brands, or stamps have not been effaced or obliterated, and relating to the removal of stamps from packages, and to having in possession any stamps so removed, shall apply to the stamps for imported spirits herein provided for, and to the casks or other packages on which such stamps shall have been used.

Penalties.
R. S. 3324.

SEC. 13. That if any person shall purchase or sell, with the imported-liquor stamp herein required remaining thereon, or any of the marks or brands which shall have been placed thereon in accordance with the laws or regulations concerning imported liquors remaining thereon, any cask or other package, after the same has been once used to contain imported liquors and has been emptied; or if any person shall use or have in possession such cask or package, with any imitation of such marks or brands, for the purpose of placing domestic distilled spirits therein for sale; or shall, for such purpose, manufacture, use, or have in possession any cask or package made in imitation of, or intended to be in the similitude of, such imported casks or packages, with any imitation of such marks or brands thereon, every such cask or package, with its contents, if any, shall be forfeited to the United States. And every such person who shall violate any of the provisions of this section shall be liable to a penalty of two hundred dollars for every such cask or package so purchased, sold, manufactured, used, or had in possession.

Dealing in, or using empty imported packages.

Counterfeiting imported packages.

Penalty.

TOBACCO.

SEC. 14. That the Revised Statutes be amended as follows, namely:

That on and after the first day of May eighteen hundred and seventy-nine, there shall be levied and collected upon all snuff manufactured of tobacco, or any substitute for tobacco, ground, dry, damp, pickled, scented, or otherwise, of all descriptions, when prepared for use; and upon all chewing and smoking tobacco, fine-cut, cavendish, plug or twist, cut or granulated, of every description; on tobacco twisted by hand or reduced into a condition to be consumed, or in any manner other than the ordinary mode of drying and curing, prepared for sale or consumption, even if prepared without the use of any machine or instrument and without being pressed or sweetened, and on all fine cut shorts and refuse scraps, clippings, cuttings, and sweepings of tobacco, a tax of sixteen cents per pound.

Tax on tobacco, etc.

And the sum of fifteen thousand dollars, or so much thereof as may be necessary, be, and the same hereby is, appropriated, out of any money in the Treasury not otherwise appropriated, for the alteration of dies and stamps, and such other expenses as are incident in preparing for the collection of the taxes on tobacco and snuff at the reduced rates provided in this act.

Appropriation. Altering stamps, etc.

That the sixth subdivision of section thirty-two hundred and forty-four be amended to read as follows:

R. S. 3244.

Sixth. Dealers in leaf-tobacco, except retail dealers in leaf-tobacco, as hereinafter defined, shall pay twenty-five dollars. Every person shall be regarded as a dealer in leaf-tobacco whose business it is, for himself or on commission, to sell, or offer for sale, or consign for sale on commission, leaf-tobacco; and payment of a special tax as dealer in tobacco, manufacturer of tobacco, manufacturer of cigars, or any other special tax, shall not exempt any person dealing in leaf-tobacco from the payment of the special tax therefor hereby required. But no farmer or planter, nor the executor or administrator of such farmer or planter, nor the guardian of any minor, shall be required to pay a special tax as a

Leaf-tobacco dealers' tax.

Farmers, etc., not liable.

- Proviso.* dealer in leaf-tobacco, for selling tobacco produced by said farmer or planter, or by said executor, administrator, or guardian, or received by either of them as rents from tenants who have produced the same on the land of said farmer, planter, or minor: *Provided*, That nothing in this section shall be construed to exempt from a special tax any farmer or planter who, by peddling or otherwise, sells leaf-tobacco at retail directly to consumers, or who sells or assigns, consigns, transfers, or disposes of, to persons other than those who have paid a special tax as leaf-dealers or manufacturers of tobacco, snuff, or cigars, or to persons purchasing leaf-tobacco for export.
- Fiduciaries not liable. "No sheriff or other officer acting under order or process of any court or magistrate, nor trustee, or other fiduciary, legally acting under the powers vested in him, shall be liable to said special tax as a dealer or retail dealer in selling tobacco under such authority. And no purchaser at any sale by such sheriff, officer, trustee, or fiduciary, shall be held liable to any other tax or restriction as to a sale of tobacco so purchased than he would have been had such purchaser been the producer thereof on his own land.
- Sales by dealers. "Dealers in leaf-tobacco shall sell only to other dealers who have paid a special tax as such, and to manufacturers of tobacco, snuff, or cigars, and to such persons as are known to be purchasers of leaf-tobacco for export: *Provided*, It shall be lawful for any licensed manufacturer of cigars to purchase leaf-tobacco of any licensed dealer or other licensed manufacturer in quantities less than the original package, for use in his own manufactory exclusively."
- Proviso.*
- R. S. 3355, Amended. That section thirty-three hundred and fifty-five be amended by striking out all after the said number, and substituting therefor the following:
- Tobacco manufacturers' statement. "Every person, before commencing, or, if he has already commenced, before continuing, the manufacture of tobacco or snuff, shall furnish, without previous demand therefor, to the collector of the district where the manufacture is to be carried on, a statement in duplicate, subscribed under oath, setting forth the place, and if in a city, the street and number of the street, where the manufacture is to be carried on; the number of cutting-machines, presses, snuff-mills, hand-mills, or other machines; the name, kind, and quality of the article manufactured or proposed to be manufactured; and when the same is manufactured by him as agent for any other person, or to be sold and delivered to any other person under a special contract, the name and residence and business or occupation of the person for whom the said article is to be manufactured, or to whom it is to be delivered; and he shall give a bond, to be approved by the collector of the district, in the sum of not less than two thousand nor more than twenty thousand dollars, to be fixed by the collector of the district, according to the quantum of business proposed to be done by the manufacturer, with right of appeal by the manufacturer to the Commissioner of Internal Revenue in respect to the amount of said bond, conditioned that he shall not engage in any attempt, by himself or by collusion with others, to defraud the government of any tax on his manufactures; that he shall render truly and completely all the returns, statements, and inventories prescribed by law or regulations; that whenever he adds to the number of cutting-machines, presses, snuff-mills, hand-mills, or other mills or machines as aforesaid, he shall immediately give notice thereof to the collector of the district; that he shall stamp, in accordance with law, all tobacco and snuff manufactured by him before he removes any part thereof from the place of manufacture; that he shall not knowingly sell, purchase, expose, or receive for sale, any manufactured tobacco or snuff which has not been stamped as required by law; and that he shall comply with all the requirements of law relating to the manufacture of tobacco or snuff. Additional sureties may be required by the collector from time to time.
- Bond. Penalty.
- Condition.
- Additional sureties. Certificate of collector. "And every manufacturer shall obtain a certificate from the collector of the district, who is hereby directed to issue the same, setting forth the kind and number of machines, presses, snuff mills, hand mills, or

other mills and machines as aforesaid; which certificate shall be posted in a conspicuous place within the manufactory. And every tobacco-manufacturer who neglects or refuses to obtain such certificate, or to keep the same posted as hereinbefore provided, shall be fined not less than one hundred dollars nor more than five hundred dollars. And every person who manufactures tobacco or snuff of any description without first giving bond, as herein required, shall be fined not less than one thousand dollars nor more than five thousand dollars, and imprisoned for not less than one nor more than five years."

Penalties for non-compliance.

That section thirty-three hundred and sixty be, and the same is hereby, amended by striking out all of said section, and by inserting in lieu of the words stricken out, the following words:

R. S. 3360, Amended.

"SEC. 3360. Every dealer in leaf-tobacco shall make daily entries in two books kept for that purpose, one book to be furnished by the government, under such regulations as the Commissioner of Internal Revenue shall prescribe, of the number of hogsheads, cases, and pounds of leaf-tobacco purchased or received by him on assignment, consignment, transfer, or otherwise, and of whom purchased or received, and the number of hogsheads, cases, or pounds sold by him, with the name and residence, in each instance, of the person to whom sold, and, if shipped, to whom shipped, and to what district; one of these books shall be kept at his place of business, and shall be open at all hours to the inspection of any internal-revenue officer or agent, and the other shall, at the end of each and every year, and upon the discontinuance of business of any leaf-dealer during any year, be handed over to the collector of his district for the use of the government. And every dealer in leaf tobacco who willfully neglects or refuses to keep the books herein provided for, and in the manner which shall be prescribed by the Commissioner of Internal Revenue, or to transfer to the collector of his district, as herein provided, the duplicate copy containing his daily transactions, as aforesaid, shall be fined not less than one hundred dollars nor more than five thousand dollars, and imprisoned not more than one year."

Books of dealer in leaf-tobacco.

Where to be kept.

Penalty for neglect to keep, etc.

That section thirty-three hundred and sixty-two be, and the same is hereby, amended by striking out all after said number, and substituting therefor the following:

R. S. 3362, Amended.

"All manufactured tobacco shall be put up and prepared by the manufacturer for sale, or removal for sale or consumption, in packages of the following description, and in no other manner:

Packages.

"All snuff, in packages containing one-half, one, two, three, four, six, eight, and sixteen ounces, or in bladders and in jars containing not exceeding twenty pounds;

Snuff.

"All fine-cut chewing-tobacco, and all other kinds of tobacco not otherwise provided for, in packages containing one, two, three, four, eight, and sixteen ounces, except that fine-cut chewing-tobacco may, at the option of the manufacturer, be put up in wooden packages containing ten, twenty, forty, and sixty pounds each;

Fine-cut chewing, etc.

"All smoking-tobacco and all cut and granulated tobacco other than fine-cut chewing, all shorts, the refuse of fine cut chewing, which has passed through a riddle of thirty-six meshes to the square inch, and all refuse scraps, clippings, cuttings, and sweepings of tobacco, in packages containing two, three, four, eight, and sixteen ounces each;

Smoking.

"All cavendish, plug, and twist tobacco, in wooden packages not exceeding two hundred pounds net weight.

Plug, etc.

"And every such wooden package shall have printed or marked thereon the manufacturer's name and place of manufacture, the registered number of the manufactory, and the gross weight, the tare, and the net weight of the tobacco in each package: *Provided*, That these limitations and descriptions of packages shall not apply to tobacco and snuff transported in bond for exportation and actually exported: *And provided further*. That fine-cut shorts, the refuse of fine-cut chewing-tobacco, refuse scraps, clippings, cuttings, and sweepings of tobacco, may be sold in bulk as material, and without the payment of tax, by one manufacturer

Marks, etc.

Proviso.

Sale of scraps, etc., in bulk.

- Materials for packing. directly to another manufacturer, or for export, under such restrictions, rules, and regulations as the Commissioner of Internal Revenue may prescribe: *And provided further*, That wood, metal, paper, or other materials may be used separately or in combination for packing tobacco, snuff, and cigars, under such regulations as the Commissioner of Internal Revenue may establish."
- R. S. 3371, Amended. That section thirty-three hundred and seventy-one be amended by striking out all after the said number and substituting therefor the following:
- Assessment for non-payment of tax. "Whenever any manufacturer of tobacco, snuff, or cigars, sells, or removes for sale or consumption, any tobacco, snuff, or cigars, upon which a tax is required to be paid by stamps, without the use of the proper stamps, it shall be the duty of the Commissioner of Internal Revenue, within a period of not more than two years after such sale or removal, upon satisfactory proof, to estimate the amount of tax which has been omitted to be paid, and to make an assessment therefor, and certify the same to the collector. The tax so assessed shall be in addition to the penalties imposed by law for such sale or removal: *Provided, however*, That no such assessment shall be made until and after notice to the manufacturer of the alleged sale and removal to show cause against said assessment; and the Commissioner of Internal Revenue shall, upon a full hearing of all the evidence, determine what assessment, if any should be made."
- Notice of assessment. That section thirty-three hundred and seventy-seven be, and the same is hereby, amended by adding thereto the following words: "*Provided*, That scraps, cuttings, and clippings of tobacco imported from any foreign country may, after the proper customs duty has been paid thereon, be withdrawn in bulk without the payment of the internal-revenue tax, and transferred as material directly to the factory of a manufacturer of tobacco or snuff, or of a cigar-manufacturer, under such restrictions and regulations as shall be prescribed by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury."
- R. S. 3377, Amended. Imported scraps, etc. SEC. 15. That section thirty-three hundred and eighty-three of the Revised Statutes be amended by striking out all after the said number and substituting therefor the following:
- R. S. 3383, Amended. "Every peddler of tobacco shall obtain a certificate from the collector of his collection-district, who is hereby authorized and directed to issue the same, giving the name of the peddler, his residence, the class of his special-tax stamp, and the fact of his having filed the required bond; and shall on demand of any officer of internal revenue, produce and exhibit said certificate and his special-tax stamp, and, unless he shall do so, may be deemed not to have paid the special tax, nor otherwise to have complied with the law. And whenever any peddler refuses to exhibit his special-tax stamp and certificate, or either of them, as aforesaid, on demand of any officer of internal revenue, said officer may seize the horse or mule, wagon and contents, or pack, bundle, or basket, of any person so refusing; and the collector of the district in which the seizure occurs may, on ten day's notice, published in any newspaper in the district, or served personally on the peddler, or at his dwelling-house, require such peddler to show cause, if any he has, why the horses or mules, wagon and contents, pack, bundle, or basket, so seized, shall not be forfeited. In case no sufficient cause is shown, proceedings for the forfeiture of the property seized shall be taken under the general provisions of the internal-revenue laws relating to forfeitures. Any internal-revenue agent may demand production of, and inspect the peddler's special-tax stamp and the collector's certificate for peddlers; and refusal or failure to produce the same, or either of them, when so demanded, shall subject the party guilty thereof to a fine of not less than fifty dollars nor more than five hundred dollars, and to imprisonment for not less than thirty days nor more than twelve months."
- Peddlers of tobacco. Refusal to exhibit certificate, etc. Forfeiture. That section thirty-three hundred and eighty-four be amended by adding thereto as follows: "And any collector or deputy collector finding
- R. S. 3384, Amended.

such peddler in the act of offending as to either of the offenses mentioned in this section, may seize the horse or horses, mule or mules, wagon and contents, or pack, bundle, or basket, of any such person; and the collector shall thereupon proceed upon such seizure as provided in section thirty-three hundred and eighty-three" as amended in the previous section.

Seizure of horse, etc., of peddler.

R. S. 3383.

SEC. 16. That section thirty-three hundred and eighty-six be, and the same is hereby, amended by striking out all after the said number, and substituting therefor the following:

R. S. 3386.

"There shall be an allowance of drawback on tobacco, snuff, and cigars on which the tax has been paid by suitable stamps affixed thereto before removal from the place of manufacture, when the same are exported, equal in amount to the value of the stamps found to have been so affixed; the evidence that the stamps were so affixed, and the amount of tax so paid, and of the subsequent exportation of the said tobacco, snuff, and cigars, to be ascertained under such regulations as shall be prescribed by the Commissioner of Internal Revenue, and approved by the Secretary of the Treasury. Any sums found to be due under the provisions of this section shall be paid by the warrant of the Secretary of the Treasury on the Treasurer of the United States, out of any money arising from internal duties not otherwise appropriated: *Provided*, That no claim for an allowance of drawback shall be entertained or allowed until a certificate from the collector of customs at the port from which the goods have been exported, or other evidence satisfactory to the Commissioner of Internal Revenue, has been furnished, that the stamps affixed to the tobacco, snuff, or cigars entered and cleared for export to a foreign country were totally destroyed before such clearance; nor until the claimant has filed a bond, with good and sufficient sureties, to be approved by the collector of the district from which the goods are shipped, in a penal sum double the amount of the tax for which said claim is made, that he will procure, within a reasonable time, evidence satisfactory to the Commissioner of Internal Revenue that said tobacco, snuff, or cigars have been landed at any port without the jurisdiction of the United States, or that after shipment the same were lost at sea, and have not been relanded within the limits of the United States."

Export drawback.

Payment.

Export bond.

That section thirty-three hundred and eighty-seven be, and the same is hereby, amended by striking out, after the words "shall be conditioned that", in the second sentence, the words "he shall not employ any person to manufacture cigars who has not been duly registered as a cigar-maker."

R. S. 3387, Amended.

That section thirty-three hundred and eighty-nine be, and the same is hereby, amended by striking out all after the said number, and substituting therefor the following:

R. S. 3389, Amended.

"Every collector shall keep a record, in a book provided for that purpose, to be open to the inspection of any person, of the name and residence of every person engaged in the manufacture of cigars in his district, the place where such manufacture is carried on, and the number of the manufactory; and he shall enter in said record, under the name of each manufacturer, an abstract of his inventories and monthly returns. And he shall cause the several manufacturers of cigars in the district to be numbered consecutively, which number shall not thereafter be changed."

Record of cigar manufacturers.

That section thirty-three hundred and ninety-two be, and the same is hereby, amended by striking out all after the said number, and substituting therefor the following:

R. S. 3392, Amended.

"All cigars shall be packed in boxes not before used for that purpose, containing, respectively, twenty-five, fifty, one hundred, two hundred, two hundred and fifty, or five hundred cigars each; and every person who sells, or offers for sale, or delivers, or offers to deliver, any cigars in any other form than in new boxes as above described, or who packs in any box any cigars in excess of the number provided by law to be put in each box respectively, or who falsely brands any box, or affixes

Packing cigars.

Penalty for reuse.

- a stamp on any box denoting a less amount of tax than that required by law, shall be fined for each offense not less than one hundred dollars nor more than one thousand dollars, and be imprisoned not less than six months nor more than two years: *Provided*, That nothing in this section shall be construed as preventing the sale of cigars at retail by retail dealers who have paid the special tax as such from boxes packed, stamped, and branded in the manner prescribed by law: *And provided further*, That every manufacturer of cigarettes shall put up all the cigarettes that he either manufactures or has made for him, and sells or removes for consumption or use, in packages or parcels containing ten, twenty, fifty, or one hundred cigarettes each, and shall securely affix to each of said packages or parcels a suitable stamp denoting the tax thereon, and shall properly cancel the same prior to such sale or removal for consumption or use, under such regulations as the Commissioner of Internal Revenue shall prescribe; and all cigarettes imported from a foreign country shall be packed, stamped, and the stamps canceled in like manner, in addition to the import stamp indicating inspection of the custom-house, before they are withdrawn therefrom."
- Proviso.*
- Cigarettes.
- Stamps.
- Imported.
- R. S. 3393,
Amended.
- Notice of cigar
manufacturer.
- Form.
- Penalty for failure to affix.
- R. S. 3397,
Amended.
- Forfeiture for failure to stamp, etc.
- Penalty for same.
- Penalty for counterfeiting, etc.
- That section thirty-three hundred and ninety-three be, and the same is hereby, amended by striking out all after the said number, and substituting therefor the following:
- "Every manufacturer of cigars shall securely affix, by pasting on each box containing cigars manufactured by or for him, a label, on which shall be printed, besides the number of the manufactory and the district and State in which it is situated, these words:
- "NOTICE.—The manufacturer of the cigars herein contained has complied with all the requirements of law. Every person is cautioned not to use either this box for cigars again, or the stamp thereon again, nor to remove the contents of this box without destroying said stamp, under the penalties provided by law in such cases.
- "Every manufacturer of cigars who neglects to affix such label to any box containing cigars made by or for him, or sold or offered for sale by or for him, and every person who removes any such label, so affixed, from any such box, shall be fined fifty dollars for each box in respect to which such offense is committed."
- That section thirty-three hundred and ninety-seven be, and the same is hereby, amended by striking out all after the said number, and substituting therefor the following:
- "Whenever any cigars are removed from any manufactory, or place where cigars are made, without being packed in boxes as required by the provisions of this chapter, or without the proper stamp thereon denoting the tax, or without stamping, indenting, burning, or impressing into each box, in a legible and durable manner, the number of the cigars contained therein, the number of the manufactory, and the number of the district and the State, or without properly affixing thereon and canceling the stamp denoting the tax on the same, or are sold, or offered for sale, not properly boxed and stamped, they shall be forfeited to the United States. And every person who commits any of the above-described offenses shall be fined for each such offense not less than one hundred dollars nor more than one thousand dollars, and imprisoned not less than six months nor more than two years. And every person who packs cigars in any box bearing a false or fraudulent or counterfeit stamp, or who affixes to any box containing cigars a stamp in the similitude or likeness of any stamp required to be used by the laws of the United States, whether the same be a customs or internal-revenue stamp, or who buys, receives, or has in his possession any cigars on which the tax to which they are liable has not been paid, or who removes, or causes to be removed, from any box any stamp denoting the tax on cigars, with intent to use the same, or who uses, or permits any other person to use, any stamp so removed, or who receives, buys, sells, gives away, or has in his possession any stamp so removed, or who makes any other fraudulent use of any stamp intended for cigars, or who removes from the

place of manufacture any cigars not properly boxed and stamped as required by law, shall be deemed guilty of a felony, and shall be fined not less than one hundred dollars nor more than one thousand dollars, and imprisoned not less than six months nor more than three years: *Provided*, That cigars packed expressly for export, and which shall be exported to a foreign country under the restrictions and regulations prescribed by the Commissioner of Internal Revenue, and approved by the Secretary of the Treasury, shall be exempt from the provisions of this section, and also from the provisions of section thirty-three hundred and ninety-three of the Revised Statutes, requiring a label to be affixed to each box." *Proviso.*
Cigars for export.
R. S. 3393.

STAMPS.

SEC. 17. That the Revised Statutes be amended as follows, namely: *R. S. 3426,*
That section thirty-four hundred and twenty-six be amended by striking out all after the said number, and substituting therefor the following: *Amended.*

"The Commissioner of Internal Revenue may, upon receipt of satisfactory evidence of the facts, make allowance for or redeem such of the stamps issued under the provisions of this title, or of any internal-revenue act, as may have been spoiled, destroyed, or rendered useless or unfit for the purpose intended, or for which the owner may have no use, or which, through mistake, may have been improperly or unnecessarily used, or where the rates or duties represented thereby have been excessive in amount, paid in error, or in any manner wrongfully collected; and such allowance or redemption shall be made either by giving other stamps in lieu of the stamps so allowed for or redeemed, or by refunding the amount or value to the owner thereof, deducting therefrom, in case of repayment, the percentage, if any, allowed to the purchaser thereof; but no allowance or redemption shall be made in any case until the stamps so spoiled or rendered useless shall have been returned to the Commissioner of Internal Revenue, or until satisfactory proof has been made showing the reason why the same cannot be so returned: *Provided*, That nothing herein shall be held as authorizing redemption of, or allowance for, any of the stamps allowance for which is prohibited by the provisions of 'An act relative to the redemption of unused stamps', approved July twelfth, eighteen hundred and seventy-six". *Redemption of spoiled stamps.*

"That claims for allowance on account of stamps arising under section thirty-four hundred and twenty-six of the Revised Statutes as restricted by "an act relative to the redemption of unused stamps, approved July twelfth eighteen hundred and seventy-six, may be allowed, if presented within three years after the purchase of said stamps from the government, or a government agent for the sale of stamps, and not otherwise: *Proviso.* That no existing claim for the redemption of or allowance for any internal-revenue stamps other than the two-cent documentary stamps shall be allowed, unless presented within one year from the date of the passage of this act: *Proviso.* *Proviso.* *Proviso.* *Proviso.* That from and after June thirtieth, eighteen hundred and seventy-nine, no allowance shall be made, in any manner, for documentary stamps other than those of the denomination of two cents."

That section thirty-four hundred and twenty-nine be amended by striking out all after the said number, and substituting therefor the following:

"If any person shall forge or counterfeit, or cause or procure to be forged or counterfeited, any stamp, die, plate, or other instrument, or any part of any stamp, die, plate, or other instrument, which shall have been provided, or may hereafter be provided, made, or used in pursuance of the provisions of this chapter, or of any previous provisions of law on the same subjects, or shall forge, counterfeit, or resemble, or cause or procure to be forged, counterfeited, or resembled, the impression, or any part of the impression, of any such stamp, die, plate, or other instrument as aforesaid, upon any paper, or shall stamp or mark, or cause or procure

to be stamped or marked, any paper, with any such forged or counterfeited stamp, die, plate, or other instrument, or part of any stamp, die, plate, or other instrument, as aforesaid, with intent to defraud the United States of any of the taxes hereby imposed, or any part thereof; or if any person shall utter, or sell, or expose to sale, any paper, article, or thing, having thereupon the impression of any such counterfeited stamp, die, plate, or other instrument, or any part of any stamp, die, plate, or other instrument, or any such forged, counterfeited or resembled impression, or part of impression, as aforesaid, knowing the same to be forged, counterfeited, or resembled; or if any person shall knowingly use or permit the use of any stamp, die, plate, or other instrument which shall have been so provided, made, or used, as aforesaid, with intent to defraud the United States; or if any person shall fraudulently cut, tear, or remove, or cause or procure to be cut, torn, or removed, the impression of any stamp, die, plate, or other instrument, which shall have been provided, made, or used in pursuance of this chapter, or of any previous provisions of law on the same subjects, from any paper, or any instrument or writing charged or chargeable with any of the taxes imposed by law; or if any person shall fraudulently use, join, fix, or place, or cause to be used, joined, fixed, or placed, to, with, or upon any paper, or any instrument or writing charged or chargeable with any of the taxes hereby imposed, any adhesive stamp, or the impression of any stamp, die, plate, or other instrument, which shall have been provided, made, or used in pursuance of law, and which shall have been cut, torn, or removed from any other paper, or any instrument or writing charged or chargeable with any of the taxes imposed by law; or if any person shall willfully remove or cause to be removed, alter or cause to be altered, the canceling or defacing marks on any adhesive stamp, with intent to use the same, or to cause the use of the same, after it shall have been once used, or shall knowingly or willfully sell or buy such washed or restored stamps, or offer the same for sale, or give or expose the same to any person for use, or knowingly use the same, or prepare the same with intent for the further use thereof; or if any person shall knowingly and without lawful excuse (the proof whereof shall lie on the person accused) have in his possession any washed, restored, or altered stamps, which have been removed from any article, paper, instrument, or writing, then, and in every such case, every person so offending, and every person knowingly and willfully aiding, abetting, or assisting in committing any such offense as aforesaid, shall, on conviction thereof, forfeit the said counterfeit, washed, restored, or altered stamps, and the articles upon which they are placed, and be punished by fine not exceeding one thousand dollars, or by imprisonment and confinement to hard labor not exceeding five years, or both, at the discretion of the court. And the fact that any adhesive stamp so bought, sold, offered for sale, used, or had in possession as aforesaid, has been washed or restored by removing or altering the canceling or defacing marks thereon, shall be prima-facie proof that such stamp has been once used and removed by the possessor thereof from some paper, instrument, or writing, charged with taxes imposed by law, in violation of the provisions of this section."

Selling, etc.

Using, etc.

Mutilating, etc.

Washing, etc.

Penalty.

Evidence of washing, etc.

R. S. 3441, Amended.

Export drawback.

Payment.

Proviso.

Evidence.

That section thirty-four hundred and forty-one be amended by striking out all after the said number, and substituting therefor the following: "There shall be an allowance of drawback on fermented liquors and on all articles mentioned in Schedule A, on which any internal tax shall have been paid, except lucifer or friction matches, cigar-lights, and wax-tapers, equal in amount to the tax paid thereon, and no more, when exported, to be paid by the warrant of the Secretary of the Treasury on the Treasurer of the United States, out of any money arising from internal duties not otherwise appropriated: *Provided*, That no allowance of drawback shall be made for any such articles exported prior to March thirty-first, eighteen hundred and sixty-eight. The evidence that any such tax has been paid as aforesaid shall be furnished to the satisfaction of the Commissioner of Internal Revenue by the person claiming the

allowance of drawback, and the amount shall be ascertained under such regulations as shall be prescribed from time to time by the Commissioner, under the direction of the Secretary of the Treasury. And the said Secretary may make such regulations with regard to the form of certificates of drawback, and the issuing thereof, as he may deem necessary."

SEC. 18. That section thirty-four hundred and forty-six of the Revised Statutes of the United States be, and the same is hereby, amended so as to read as follows:

R. S. 3446,
Amended.

"SEC 3446. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may establish and, from time to time, alter or change the form, style, character, material, and device of any stamp, mark, or label used under any provision of the laws relating to internal revenue. Such stamps shall be attached, protected, removed, canceled, obliterated, and destroyed, in such manner and by such instruments or other means as he, with the approval of the Secretary of the Treasury, may prescribe; and he is hereby authorized and empowered to make, with the approval of the Secretary of the Treasury, all needful regulations relating thereto; and all pains, penalties, fines, and forfeitures now provided by law relating to internal-revenue stamps shall apply to and have full force and effect in relation to any and all stamps which may or shall be so established by the Commissioner of Internal Revenue": *Provided*, Such stamps or device or instrument or means of removal or obliteration, shall entail no additional expense upon the persons required to affix or use the same.

Change of stamps.

Canceling, etc.

Penalties, etc., applied to new stamps.

Proviso.

SEC. 19. That the proviso to section thirty-four hundred and thirty of the Revised Statutes is hereby amended to read as follows:

R. S. 3430,
Amended.

"*Provided*, That lucifer or friction matches, and cigar-lights, and wax-tapers, and all articles upon which a tax is imposed by law, as enumerated and mentioned in Schedule A following section thirty-four hundred and thirty-seven of the Revised Statutes, may be removed from the place of manufacture for export to a foreign country, without payment of tax, or affixing stamps thereto, under such regulations as the Commissioner of Internal Revenue may prescribe."

Export of matches, etc.

SEC. 20. That under such regulations and requirements as to stamps, bonds, and other security as shall be prescribed by the Commissioner of Internal Revenue, any manufacturer of perfumery, medicines, or preparations for export, manufacturing the same in a duly constituted manufacturing warehouse, shall be authorized to withdraw, in original packages from any distillery-warehouse, so much alcohol as he may require for the said purpose, without the payment of the internal-revenue tax thereon.

Alcohol for perfumery, etc., for export.

SEC. 21. That the word "gallon", wherever used in the internal-revenue law, relating to beer, lager-beer, ale, porter, and other similar fermented liquors, shall be held and taken to mean a wine-gallon, the liquid measure containing two hundred and thirty-one cubic inches.

Definition of gallon.

SEC. 22. That whenever and after any bank has ceased to do business by reason of insolvency or bankruptcy, no tax shall be assessed or collected, or paid into the Treasury of the United States, on account of such bank, which shall diminish the assets thereof necessary for the full payment of all its depositors; and such tax shall be abated from such national banks as are found by the Comptroller of the Currency to be insolvent; and the Commissioner of Internal Revenue, when the facts shall so appear to him, is authorized to remit so much of said tax against insolvent State and savings banks as shall be found to affect the claims of their depositors.

Tax on insolvent banks.

That in making further collections of internal-revenue taxes on bank deposits, no savings-bank, recognized as such by the laws of its State, and having no capital stock, shall, on account of mercantile or business deposits heretofore received, upon which no interest has been allowed to the parties making such deposits, be denied the exemptions allowed to savings-banks having no capital stock, and doing no other business than receiving deposits to be loaned or invested for the sole benefit of

Savings banks.

the parties making such deposits, without profit or compensation to the banks, if such bank has paid the lawful tax upon the entire average amount of such business or mercantile deposits; but nothing in this section shall be construed to extend said exemptions to deposits hereafter made, or in any way to affect the liability of such deposits to taxation.

R. S. 3408,
Amended.

That section thirty-four hundred and eight of the Revised Statutes be amended by striking out all after the thirtieth line and inserting the following:

Provident asso-
ciations.

“Associations or companies known as provident institutions, savings-banks, savings-funds, or savings institutions doing no other business than receiving and loaning or investing savings deposits shall be exempt from tax on so much of such deposits as they have invested in securities of the United States, and on two thousand dollars of savings deposits and nothing in excess thereof, made in the name of and belonging to any one person.

Repeal.

That all laws and parts of laws inconsistent with the provisions of this section, be, and the same are hereby repealed.

R. S. of 1878.

SEC. 23. That wherever in any of the foregoing sections of this act the Revised Statutes are referred to, it shall be held to mean the “edition of eighteen hundred and seventy eight”.

Approved, March 1, 1879.

March 3, 1879.

CHAP. 170.—An act to amend section twenty four hundred and three of the Revised Statutes of the United States, in relation to deposits for surveys.

Public lands.
R. S. 2403.
Amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section twenty-four hundred and three of the Revised Statutes of the United States be, and is hereby, amended so as to read as follows:

Settlers' deposits.

SEC. 2403. Where settlers make deposits in accordance with the provisions of section twenty-four hundred and one, the amount so deposited shall go in part payment for their land situated in the townships, the surveying of which is paid for out of such deposits; or the certificates issued for such deposits may be assigned by indorsement, and be received in payment for any public lands of the United States entered by settlers under the pre-emption and homestead laws of the United States, and not otherwise.

Approved, March 3, 1879.

March 3, 1879.

CHAP. 171.—An act granting lands to the State of Minnesota in lieu of certain lands heretofore granted to said State.

Minnesota.

Grant of lands
in lieu of former
grant.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there be, and hereby are, granted to the State of Minnesota, to be selected by the governor of said State, twenty-four sections of land, out of any public lands of the United States not otherwise appropriated, in lieu and in stead of twenty-four sections of the land granted to said State of Minnesota by the fourth subdivision of section five of an act entitled “An act to authorize the people of the Territory of Minnesota to form a constitution and State government preparatory to their admission in the Union on an equal footing with the original States”, approved February twenty-sixth, eighteen hundred and fifty-seven, and selected by said State, but which were subsequently otherwise disposed of by the United States, and to which the United States cannot make title to the said State of Minnesota: *Provided,* That the lands herein granted shall be selected within three years, and from unoccupied lands of the United States lying within the State of Minnesota.

1857, ch. 60,
11 Stat., 166.

Proviso.

Approved, March 3, 1879.