

centum of completion within the period provided, or with respect to which the Commission finds and certifies to the Secretary of the Treasury that, for causes within the control of the taxpayer, the entire construction is not completed with reasonable dispatch, if otherwise taxable income under the law applicable to the taxable year in which such gain was realized, shall be included in the gross income for such taxable year, except for the purpose of the declared value excess-profits tax and the capital stock tax. If any such deposited gain or portion thereof is so included in gross income for such taxable year, there shall (in addition to any other deficiency) be assessed, collected, and paid in the same manner as if it were a deficiency, an amount equal to 1.1 per centum of the amount of gain so included, such amount being in lieu of any adjustment with respect to the declared value excess-profits tax for such taxable year.

Collection of certain tax deficiencies.

“(j) Notwithstanding any other provision of law, any deficiency in tax for any taxable year resulting from the inclusion of any amount in gross income as provided by subsection (i), and the amount to be treated as a deficiency under such subsection in lieu of any adjustment with respect to the declared value excess-profits tax, may be assessed or a proceeding in court for the collection thereof may be begun without assessment, at any time: *Provided, however,* That interest on any such deficiency or amount to be treated as a deficiency shall not begin until the date the deposited gain or portion thereof in question is required under subsection (i) to be included in gross income.

Proviso.
Interest.

“(k) This section shall be applicable to a taxpayer only in respect of sales or indemnifications for losses occurring within a taxable year beginning after December 31, 1939, and only in respect of earnings derived during a taxable year beginning after December 31, 1939.

Applicability to sales or loss indemnifications.

“(l) For the purposes of this section a vessel shall be considered as constructed or acquired by the taxpayer if constructed or acquired by a corporation at a time when the taxpayer owns at least 95 per centum of the total number of shares of each class of stock of the corporation.

When vessel deemed constructed or acquired.

“(m) The terms used in this section shall have the same meaning as in chapter 1 of the Internal Revenue Code.”

Meaning of terms.
53 Stat. 4.
26 U. S. C., Supp. V,
ch. 1.

Approved, October 10, 1940.

[CHAPTER 850]

AN ACT

Authorizing allocation of funds for the construction of Saco Divide unit, Milk River project, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in connection with the Saco Divide unit of the Milk River project there shall be included in the water users repayment obligations, in addition to the amounts that may be allocated by the President for the construction of pumping and distribution facilities and land development of this unit from funds appropriated for water conservation and utility projects by the Interior Department Appropriation Act, 1940, to be repaid as therein provided, that portion of the cost of the facilities of the Milk River project common to the Saco Divide unit and other units of the Milk River project that may be allocated to the Saco Divide unit by the Secretary of the Interior. The costs of Fresno Dam and Reservoir so allocated by the Secretary shall be included for repayment in not to exceed forty annual installments along with the costs of pumping and distribution facilities allocated by the

October 10, 1940

[H. R. 9734]

[Public, No. 841]

Saco Divide unit,
Milk River project,
Mont.

Allocation of funds
for construction.

53 Stat. 719.
Repayment.

Fresno Dam and
Reservoir.
Repayment in an-
nual installments.

President for repayment as provided by the water conservation and utility projects item in the Interior Department Appropriation Act, 1940; the cost of the other common facilities of the Milk River project allocated by the Secretary to the Saco Divide unit shall be repaid in not to exceed twenty annual installments, the first to accrue not later than the year following the last installment due and payable to the United States from the water users of the unit on the obligation comprising the amounts allocated by the President for construction of pumping and distribution facilities and the costs of the Fresno Dam and Reservoir allocated to the unit by the Secretary. Payments on account of the costs allocated by the Secretary shall be credited to the Reclamation Fund, and the component of such payments attributable to costs of construction prior to 1935 as determined by the Secretary shall be credited to write-offs made on the Milk River project pursuant to the Act of May 25, 1926 (44 Stat. 636).

SEC. 2. No water shall be delivered for the Saco Divide unit until the Secretary of the Interior has entered into the contract or contracts required, in his judgment, to carry into full effect the provisions of section 1 and to provide for repayment of the reimbursable construction costs chargeable to the Saco Divide unit.

Approved, October 10, 1940.

Other common facilities.

Credit of payments.

44 Stat. 640.

Reimbursement provisions.

[CHAPTER 851]

AN ACT

To consolidate certain exceptions to section 3709 of the Revised Statutes and to improve the United States Code.

October 10, 1940
[H. R. 10061]
[Public, No. 842]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3709 of the Revised Statutes shall not be construed to apply to any purchases or services authorized by any appropriation Act for the hereinafter enumerated departments and independent offices—

Consolidation of certain exceptions to R. S. § 3709.
41 U. S. C. § 5.

(a) Where the aggregate amount involved does not exceed the sum of \$25—

Aggregate amount not in excess of \$25.

- (1) The Civil Service Commission.
- (2) The Department of Commerce.
- (3) The Department of Justice.

(b) Where the aggregate amount involved does not exceed the sum of \$50—

Aggregate amount not in excess of \$50.

- (1) The Administrative Office of the United States Courts.
- (2) The Department of Agriculture.
- (3) The Farm Credit Administration.
- (4) The Federal Bureau of Investigation in the field.
- (5) The Federal Home Loan Bank Board.
- (6) The Federal Power Commission.
- (7) The Federal Trade Commission.
- (8) The General Accounting Office.
- (9) The Interstate Commerce Commission.
- (10) The National Advisory Committee for Aeronautics.
- (11) The National Archives.
- (12) The National Labor Relations Board.
- (13) The Navy Department or its bureaus and offices.
- (14) The Railroad Retirement Board.
- (15) The Securities and Exchange Commission.
- (16) The Tariff Commission.
- (17) The Treasury Department.
- (18) The Veterans' Administration.