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BULLETIN TO ALL MEMBERS

RE: Federal Tax

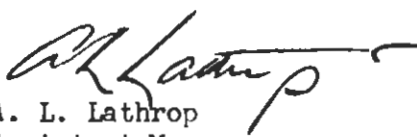
In Bulletin #221 we advised you of impending changes in the Federal Tax payment procedure.

We now enclose the following:

1. The new regulations with respect to the tax on foreign insurances which are effective January 1, 1966.
2. The administrative regulations incorporated by reference in the new regulations.
3. Explanatory comment furnished us by the firm of LeBoeuf, Lamb and Leiby of New York City.

We have called the local office of the Treasury Department and they advise that the revised form 720 is not yet available, and will probably not be available until some time in February.

Please do not overlook these important changes.


A. L. Lathrop
Assistant Manager

EXPLANATORY COMMENT

In general, these regulations effectuate the amendment of Sections 4371 and 4374 of the Internal Revenue Code with respect to the tax on foreign insurances. These regulations govern the procedure to be followed with respect to premiums paid on or after January 1, 1966. Two main changes are accomplished. Stamps will no longer be used to pay the tax; the tax will be paid on the basis of a quarterly return.

The second change is that the tax is no longer levied or computed on the basis of the premium charged but rather on the basis of the premium paid.

Who Must Pay the Tax. The tax must be paid by the person in this country who remits the premium to the foreign insurer or reinsurer or to the non United States resident, agent, solicitor or broker. In other words, the last United States resident in the chain, as it were, must pay tax whether that United States resident be the insured, reinsured or broker. Generally, we would expect this to be the Lloyd's correspondent broker in the United States.

Who Must File a Return. The person who is required to pay the tax must file a return on Form 720. (Form 720 is an existing Treasury form for the payment of excise taxes, to which we understand will be added a single line labeled "Tax on Foreign Insurances", and you will simply enter the gross amount of tax.)

When Does Liability for the Tax Attach. The liability for the tax attaches at the time the premium payment is transferred to the foreign insurer or reinsurer or to the nonresident agent or broker. Note that it is also permissible to assume the liability for the tax at the time you accrue the liability for the premium under your normal accounting procedures.

Basis of the Tax. The tax is computed and paid on the basis of the premium paid, not the premium charged. Where you have already paid the tax on the basis of the premium charged prior to January 1, 1966, and the premium is paid after January 1, 1966, you have no further liability for the tax. For example, in the case of a policy with an installment premium on which you paid the tax on the full premium in 1965 and an installment payment is received after January 1, 1966, you do not pay tax on that installment payment.

Tax Rate and Meaning of Premium. The tax rate remains the same and the definition of "premium" remains the same.

Administrative Provisions Incorporated by Reference. The regulations incorporate existing administrative provisions which are applicable to other excise taxes. These provisions require that the tax liability be reported on Form 720. A return on Form 720 shall be filed for a period of one calendar quarter. The return shall be filed on or before the last day of the first calendar month following the period for which it is made. The return shall

be filed with the District Director for the District in which is located the principal place of business or legal residence of an individual or principal office or agency in the case of a corporation.

Monthly Payments. If you have a tax liability of more than \$100 for a calendar month, the amount of the tax must be deposited with a Federal Reserve Bank on or before the last day of the next succeeding calendar month. Payment is to be accompanied by a Depositary Receipt for Federal Excise Taxes (Form 537). We understand this is the same procedure followed with respect to the payment of withholding taxes. The Bank returns the validated receipt and when you file your quarterly return you attach the validated receipt plus payment for the unpaid balance of the tax.

The above is not intended to be exhaustive but merely to cover the highlights and the essentials of the change effected by the amendment of the law and these regulations. Presumably, all existing regulations in this area continue in force except to the extent inconsistent with the amendment of the law and these new regulations.

RULES AND REGULATIONS

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER D—MISCELLANEOUS EXCISE TAXES (T.D. 8868)

PART 145—TEMPORARY REGULATIONS IN CONNECTION WITH THE EXCISE TAX REDUCTION ACT OF 1965

Policies Issued by Foreign Insurers

In order to prescribe temporary regulations, which shall remain in force and effect until superseded by permanent regulations, to reflect the amendments made to sections 4371 and 4374 of the Internal Revenue Code of 1954 (relating to tax on policies issued by foreign insurers) by section 804 of the Excise Tax Reduction Act of 1965 (79 Stat. 160), the following regulations are hereby prescribed:

§ 145.5-1 Imposition and payment of tax on policies issued by foreign insurers.

(a) *In general.* Section 804 of the Excise Tax Reduction Act of 1965 (79 Stat. 160) amends section 4374 of the Internal Revenue Code of 1954 to provide that the Secretary or his delegate may prescribe by regulations that the tax imposed by section 4371, relating to the tax on policies issued by foreign insurers, shall be paid by return in lieu of by the affixing of documentary tax stamps. In addition, section 804 of such Act amends section 4371 of the Code to provide that if the tax imposed by section 4371 is paid by return under regulations prescribed under section 4374; the tax shall be computed on the premium paid in lieu of the premium charged. This section prescribes regulations under sections 4371 and 4374 with respect to premiums paid on or after January 1, 1966.

(b) *Payment of tax.*—(1) *Duty to remit tax.* With respect to premiums paid on or after January 1, 1966, the tax imposed by section 4371 shall be remitted by the person who makes the payment of the premium to a foreign insurer or reinsurer or to any nonresident agent, solicitor, or broker. For purposes of this subparagraph, the person who makes payment means that resident person who actually transfers the money, check, or its equivalent to the foreign insurer or reinsurer (including transfers to any bank, trust fund, or similar recipient, designated by the foreign insurer or reinsurer), or to any nonresident agent, solicitor, or broker. (See section 4372(a) for definition of foreign insurer or reinsurer.) For persons liable for the tax imposed by section 4371, see section 4384 and the regulations thereunder.

(2) *Filing of returns.* Every person required to remit under this section the tax imposed by section 4371 shall make a return on such tax on Form 720.

(3) *When liability for tax attaches.* The liability for the tax imposed by section 4371 with respect to premiums paid on or after January 1, 1966 shall attach

at the time the premium payment is transferred to the foreign insurer or reinsurer (including transfers to any bank, trust fund or similar recipient, designated by the foreign insurer or reinsurer), or to any nonresident agent, solicitor, or broker. A person required to remit tax under this section may remit such tax before the time the tax attaches if he keeps records consistent with such practice.

(4) *Tax paid on the basis of premium charged.* With respect to a premium paid on or after January 1, 1966, to the extent that tax imposed by section 4371 was paid on the basis of the premium charged before January 1, 1966, in accordance with the provisions of § 47.4371-2 (Documentary Stamp Tax), no further tax is due under this section.

(c) *Rate and computation of tax.*—(1) *In general.* (i) With respect to premiums paid on or after January 1, 1966, the tax under section 4371(1) is imposed at the rate of 4 cents on each dollar, or fractional part thereof, of the premium payment. For example, upon a premium payment of \$10.10 the tax amounts to 44 cents.

(ii) With respect to premiums paid on or after January 1, 1966, the tax under section 4371 (2) and (3) is imposed at the rate of 1 cent on each dollar, or fractional part thereof, of the premium payment. For example, upon a premium payment of \$10.10 the tax amounts to 11 cents.

(2) *Meaning of premium.* For purposes of this section, the term "premium" means the agreed price or consideration for assuming and carrying the risk or obligation, and includes any additional assessment or charge which may be assessed or charged under the contract, whether payable in one sum or installments.

(d) *Administrative provisions applicable.* All the provisions of §§ 40.6011(a)-1 through 46.6404(a)-1 (except § 46.6011(a)-3) (Miscellaneous Excise Taxes Payable by Return) of this chapter shall, insofar as not inconsistent with this section, apply in respect of the tax imposed by section 4371 with respect to premiums paid after December 31, 1965, as though such tax were imposed by section 4501(a). For purposes of applying such provisions, the person who pursuant to paragraph (b) of this section is required to remit the tax imposed by section 4371 shall be treated as the person liable for such tax.

(e) *Records required with respect to foreign insurance policies.* (1) Each person required under the provisions of paragraph (b) of this section to remit the tax imposed by section 4371 shall keep or cause to be kept accurate records of all policies or other instruments subject to such tax upon which premiums have been paid. Such records must identify each such policy or other in-

strument in such manner so as to clearly establish: (i) The gross premium paid; (ii) whether such policy or other instrument is (a) a policy of casualty insurance or an indemnity bond subject to tax under section 4371(1), (b) a policy of life, sickness, or accident insurance or an annuity contract subject to tax under section 4371(2), or (c) a policy of reinsurance subject to tax under section 4371(3); (iii) the identity of the insured (as defined in section 4372(d)); (iv) the identity of the foreign insurer or reinsurer (as defined in section 4372(a)); and (v) the total premium charged and, if the premium is to be paid in installments, the amount and anniversary date of each such installment.

(2) The records required under the provisions of this paragraph must be kept on file at the place of business or at some other convenient location, for a period of at least 3 years from the date any part of the tax became due or the date any part of the tax is paid, whichever is later, in such manner as to be readily accessible to authorized internal revenue officers or employees.

(3) The person having control or possession of a policy or other instrument subject to tax under section 4371 shall retain such policy or other instrument for at least 3 years from the date any part of the tax with respect to such policy was paid.

(f) *Use of documentary stamps.* Except as provided in paragraph (b) (4) of this section, documentary stamps shall not be used in payment of the tax imposed by section 4371 with respect to premiums paid on or after January 1, 1966.

(g) *Penalty for failure to file return.* Any person who on or after January 1, 1966, fails to comply with the requirements of paragraph (b) of this section with intent to evade the tax shall, in addition to other penalties provided therefor, pay a fine of double the amount of tax. (See section 7270.)

Because of the need for prompt guidance with respect to the procedures authorized by this Treasury decision, it is found impracticable to issue it with notice and public procedure thereon under section 4(a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitations of section 4(c) of that Act.

(Sec. 7805, Internal Revenue Code of 1954; 68A Stat. 917; 20 U.S.C. 7805)

[SEAL] SHELDON E. COHEN,
Commissioner of Internal Revenue.

Approved: December 17, 1965.

STANLEY S. SURREY,
Assistant Secretary
of the Treasury.

[P.R. Doc. 65-13690; Filed, Dec. 20, 1965;
8:50 a.m.]

The records shall show the polariscopic test or total sugars of each grade and type of sugar and manufactured sugar.

§ 46.6001-3 RECORDS RELATING TO COCONUT AND PALM OIL.—(a) *Processing records.*—Every processor shall maintain records and accounts with respect to the first domestic processing of the oil or bills showing:

(1) The quantity of (i) all raw materials from which oils are produced, (ii) all crude or virgin oils, and (iii) all oils which were imported and upon which preliminary processing had been done prior to importation.

(2) Daily records of the quantity of oils put into process, showing the purpose for which used and the products produced therefrom.

(3) The quantity of oils put into process under bond for export.

(b) *Source records.*—Records relative to coconut oil or to any combination or mixture containing a substantial quantity of coconut oil, with respect to which oil no tax has been paid, must be maintained in such a manner as to show:

(1) Separately, the quantity of coconut oil, or combination or mixture containing a substantial quantity of coconut oil, which is wholly the production of

- (i) The Philippine Islands,
- (ii) Guam,
- (iii) American Samoa,
- (iv) All possessions of the United States, and
- (v) The Trust Territory of the Pacific Islands,

and

(2) Separately, the quantity of coconut oil, or combination or mixture containing a substantial quantity of coconut oil, produced wholly from materials which are the growth or production of

- (i) The Philippine Islands,
- (ii) Guam,
- (iii) American Samoa,
- (iv) All possessions of the United States, and
- (v) The Trust Territory of the Pacific Islands.

The records shall also show the country or possession in which the raw materials or oils were produced, when such articles were brought into the United States, and the name and address of the importer.

§ 46.6011 (a) STATUTORY PROVISIONS; GENERAL REQUIREMENT OF RETURN, STATEMENT, OR LIST

SEC. 6011. GENERAL REQUIREMENT OF RETURN, STATEMENT, OR LIST.

(a) *GENERAL RULE.*—When required by regulations prescribed by the Secretary or his delegate any person made liable for any tax imposed by this title, or for the collection thereof, shall make a return or statement according to the forms and regulations prescribed by the Secretary or his delegate. Every person required to make a return or statement shall include therein the information required by such forms or regulations.

§ 46.6011(a)-1 RETURNS.—(a) *In general.*—Liability for tax imposed under section 4501(a) or 4511 shall be reported on Form 720. Except as provided in paragraph (b) of this section, a return on Form 720 shall be filed for a period of one calendar quarter. Every person

required to make a return on Form 720 for a return period ended December 31, 1954, shall make a return for each subsequent calendar quarter or month (whether or not liability was incurred for any tax reportable on such return for such return period) until he has filed a final return in accordance with § 46.6011(a)-2. Every person not required to make a return on Form 720 for a return period ended December 31, 1954, shall make a return for the first calendar quarter thereafter in which he incurs liability for tax imposed under section 4501(a) or 4511, and shall make a return for each subsequent calendar quarter or month until he has filed a final return in accordance with § 46.6011(a)-2.

(b) *Monthly returns.*—(1) *Requirement.*—If the district director determines that any taxpayer who is required to make deposit of taxes under the provisions of § 46.6302(c)-1 has failed to make deposits of such taxes for the first or second month of any calendar quarter, such taxpayer shall be required, if so notified in writing by the district director, to file a monthly return on Form 720, except that, if some other form is furnished by the district director for use in lieu of Form 720, the return shall be made on such other form. Every person so notified by the district director shall make a return for the calendar month in which the notice is received and for each calendar month thereafter until he has filed a final return or is required to make quarterly returns pursuant to notification as provided in subparagraph (2) of this paragraph. However, if the notice provided for in this subparagraph is received after the close of the first calendar month of a calendar quarter, the first return under this subparagraph shall be made for the period beginning with the first day of the quarter and ending with the last day of the month in which the notice is received.

(2) *Termination of requirement.*—The district director, in his discretion, may notify the taxpayer in writing that he shall discontinue the filing of monthly returns under this paragraph. If the taxpayer is so notified, the last month for which a return shall be made under this paragraph is the last month of the calendar quarter in which such notice of discontinuance is received. Thereafter, the taxpayer shall make quarterly returns as provided in paragraph (a) of this section.

(c) *Signing and verification of returns.*—For provisions relating to the signing and verification of returns, see §§ 46.6061-1 and 46.6065, respectively.

(d) *Time and place for filing returns.*—For provisions relating to the time and place for filing returns, see §§ 46.6071(a)-1 and 46.6091-1, respectively.

§ 46.6011(a)-2 **FINAL RETURNS.**—(a) *In general.*—Any person who is required to make a return on Form 720 pursuant to § 46.6011(a)-1, and who in any return period ceases operations in respect of which he is required to make a return on such form, shall make such return for such period as a final return. Each return made as a final return shall be marked "Final Return" by the person filing the return. A person who has only temporarily ceased to incur liability for tax required to be reported on Form 720, because of temporary or seasonal suspension of his business or for other reasons, shall not make a final return but shall continue to file returns.

(b) *Statement to accompany final return.*—There shall be executed as a part of each final return a statement showing the address at which the records required by the regulations in this part will be kept, the name of the person keeping such records, and, if the business of a taxpayer has been sold or otherwise transferred to another person, the name and address of such person and the date on which such sale or transfer took place. If no such sale or transfer occurred or the taxpayer does not know the name of the person to whom the business was sold or transferred, that fact should be included in the statement.

~~§ 46.6011(a)-3 RETURN PROVISIONS RELATING TO THE TAXES ON CIRCULATION OTHER THAN OF NATIONAL BANKS.—For return provisions relating to the tax on circulation other than of national banks, see § 46.4381-1.~~

§ 46.6061 STATUTORY PROVISIONS; SIGNING OF RETURNS AND OTHER DOCUMENTS.

SEC. 6061. SIGNING OF RETURNS AND OTHER DOCUMENTS.

• • • any return, statement, or other document required to be made under any provision of the Internal revenue laws or regulations shall be signed in accordance with forms or regulations prescribed by the Secretary or his delegate.

§ 46.6061-1 **SIGNING OF RETURNS AND OTHER DOCUMENTS.**—Each return required under the regulations in this subpart shall be signed by (a) the individual, if the taxpayer is an individual; (b) the president, vice president or other principal officer, if the taxpayer is a corporation; (c) a responsible and duly authorized member or officer having knowledge of its affairs, if the taxpayer is a partnership or other unincorporated organization; or (d) the fiduciary, if the taxpayer is a trust or estate. The return may be executed by an agent in the name of the taxpayer if an acceptable power of attorney is filed with the district director and the return includes the total liability of the taxpayer for the period covered by the return.

§ 46.6065 STATUTORY PROVISIONS; VERIFICATION OF RETURNS.

SEC. 6065. VERIFICATION OF RETURNS.

(a) **PENALTIES OF PERJURY.**—Except as otherwise provided by the Secretary or his delegate, any return, declaration, statement, or other document required to be made under any provision of the Internal revenue laws or regulations shall contain or be verified by a written declaration that it is made under the penalties of perjury.

(b) **OATH.**—The Secretary or his delegate may by regulations require that any return, statement, or other document required to be made under any provision of the Internal revenue laws or regulations shall be verified by an oath. This subsection shall not apply to returns and declarations with respect to income taxes made by individuals.

§ 46.6065-1 **VERIFICATION OF RETURNS.**—If a return, declaration, statement, or other document made under the regulations in this part is required by the regulations contained in this part, or the form and instructions issued with respect to such return, declaration, statement, or other document, to contain or be verified by a written declaration that it is made under the penalties of perjury, such return, declaration, statement, or other document shall be so verified by the person signing it.

§ 46.0071(a) STATUTORY PROVISIONS; TIME FOR FILING RETURNS AND OTHER DOCUMENTS.

SEC. 0071. TIME FOR FILING RETURNS AND OTHER DOCUMENTS.

(a) **GENERAL RULE.**—When not otherwise provided for by this title, the Secretary or his delegate shall by regulations prescribe the time for filing any return, statement, or other document required by this title or by regulations.

§ 46.0071(a)-1 TIME FOR FILING RETURNS.—(a) *Quarterly returns.*—Each return required to be made under paragraph (a) of § 46.0011(a)-1 for a return period of not less than one calendar quarter shall be filed on or before the last day of the first calendar month following the period for which it is made. However, if, and only if the return is accompanied by depository receipts (Form 537, Depository Receipt for Federal Excise Taxes), showing timely deposits, in full payment of the taxes due for the entire calendar quarter, the return may be filed on or before the 10th day of the second calendar month following the period for which it is made. For the purpose of the preceding sentence, a deposit which is not required to be made within such return period may be made on or before the last day of the first calendar month following the close of such period, and the timeliness of the deposit for any month will be determined by the earliest date stamped on the validated Form 537 by an authorized commercial bank or by a Federal Reserve bank.

(b) *Monthly returns.*—Each return required to be made under paragraph (b) of § 46.0011(a)-1 shall be filed not later than the fifteenth day of the month following the period for which it is made.

(c) *Last day for filing.*—For provisions relating to the time for filing a return when the prescribed due date falls on Saturday, Sunday, or a legal holiday, see § 301.7503-1 of this chapter (Regulations on Procedure and Administration).

(d) *Late filing.*—For additions to the tax in case of failure to file a return within the prescribed time, see § 301.6051-1 of this chapter (Regulations on Procedure and Administration).

§ 46.0071(a)-2 CROSS REFERENCES.—For provisions with respect to the time for filing returns relating to the tax on circulation other than of national banks, see § 46.4884-1.

§ 46.6081(a) STATUTORY PROVISIONS; EXTENSION OF TIME FOR FILING RETURNS.

SEC. 0081. EXTENSION OF TIME FOR FILING RETURNS.

(a) **GENERAL RULE.**—The Secretary or his delegate may grant a reasonable extension of time for filing any return, declaration, statement, or other document required by this title or by regulations. Except in the case of taxpayers who are abroad, no such extension shall be for more than 6 months.

§ 46.6081(a)-1 EXTENSION OF TIME FOR FILING RETURNS.—No extension of time will be granted for filing any return or other document required in respect of the taxes to which the regulations in this part have application.

§ 46,6001 STATUTORY PROVISIONS; PLACE FOR FILING RETURNS OR OTHER DOCUMENTS.

SEC. 6091. PLACE FOR FILING RETURNS OR OTHER DOCUMENTS.

(a) **GENERAL RULE.**—When not otherwise provided for by this title, the Secretary or his delegate shall by regulations prescribe the place for the filing of any return, declaration, statement, or other document, or copies thereof, required by this title or by regulations.

(b) **TAX RETURNS.** In the case of returns of tax required under authority of part II of this subchapter—

(1) **INDIVIDUALS.**—Returns (other than corporation returns) shall be made to the Secretary or his delegate in the internal revenue district in which is located the legal residence or principal place of business of the person making the return, or, if he has no legal residence or principal place of business in any internal revenue district, then at such place as the Secretary or his delegate may by regulations prescribe.

(2) **CORPORATIONS.**—Returns of corporations shall be made to the Secretary or his delegate in the internal revenue district in which is located the principal place of business or principal office or agency of the corporation, or, if it has no principal place of business or principal office or agency in any internal revenue district, then at such place as the Secretary or his delegate may by regulations prescribe.

(4) **EXCEPTIONAL CASES.**—Notwithstanding paragraph (1), (2), or (3) of this subsection, the Secretary or his delegate may permit a return to be filed in any internal revenue district.

§ 46,6001-1 PLACE FOR FILING RETURNS RELATING TO SUGAR AND COCONUT AND PALM OIL.—(a) *Persons other than corporations.*—The return of a person other than a corporation shall be filed with the district director for the district in which is located the principal place of business or legal residence of such person. If such person has no principal place of business or legal residence in any internal revenue district, the return shall be filed with the District Director at Baltimore, Maryland, except as provided in paragraph (c) of this section.

(b) *Corporations.*—The return of a corporation shall be filed with the district director for the district in which is located the principal place of business or principal office or agency of the corporation, except as provided in paragraph (c) of this section.

(c) *Returns of taxpayers outside the United States.*—The return of a person (other than a corporation) outside the United States having no legal residence or principal place of business in any internal revenue district, or the return of a corporation having no principal place of business or principal office or agency in any internal revenue district, shall be filed with the Director, International Operations Division, Internal Revenue Service, Washington 25, D.C., unless the principal place of business or legal residence of such person, or the principal place of business or principal office or agency of such corporation, is located in Puerto Rico, in which case the return shall be filed with the Office of the Director, International Operations Division, United States Internal Revenue Service, Santurce, Puerto Rico. For applicability of the tax in respect of manufactured sugar in Puerto Rico, see section 4602(5).

(d) *Exceptional cases.*—The Commissioner may permit the filing of any return required to be made under the regulations in this part

in any internal revenue district, notwithstanding the provisions of paragraphs (1) and (2) of section 6091(b) and paragraphs (a), (b), and (c) of this section.

(e) *Cross references.*—For provisions relating to the place for filing returns with respect to the taxes on circulation other than of national banks, see § 46.4884-1.

§ 46.6101 STATUTORY PROVISIONS; PERIOD COVERED BY RETURNS OR OTHER DOCUMENTS.

SEC. 6101. PERIOD COVERED BY RETURNS OR OTHER DOCUMENTS.

When not otherwise provided for by this title, the Secretary or his delegate may by regulations prescribe the period for which, or the date or of which, any return, statement, or other document required by this title or by regulations, shall be made.

§ 46.6101-1 PERIOD COVERED BY RETURNS OR OTHER DOCUMENTS.—The normal period for which returns are ordinarily required is a calendar quarter. Under certain circumstances, the district director may require returns to be filed monthly. For provisions relating to quarterly returns, see paragraph (a) of § 46.6011(a)-1. For provisions relating to monthly returns, see paragraph (b) of § 46.6011(a)-1.

§ 46.6151 STATUTORY PROVISIONS; TIME AND PLACE FOR PAYING TAX SHOWN ON RETURNS.

SEC. 6151. TIME AND PLACE FOR PAYING TAX SHOWN ON RETURNS.

(a) **GENERAL RULE.**—Except as otherwise provided in this section, when a return of tax is required under this title or regulations, the person required to make such return shall, without assessment or notice and demand from the Secretary or his delegate, pay such tax to the principal internal revenue officer for the internal revenue district in which the return is required to be filed, and shall pay such tax at the time and place fixed for filing the return (determined without regard to any extension of time for filing the return).

(b) **EXCEPTIONS.**

(2) **USE OF GOVERNMENT DEPOSITARIES.**—For authority of the Secretary or his delegate to require payments to Government depositories, see section 6302(c).

(c) **DATE FIXED FOR PAYMENT OF TAX.**—In any case in which a tax is required to be paid on or before a certain date, or within a certain period, any reference in this title to the date fixed for payment of such tax shall be deemed a reference to the last day fixed for such payment (determined without regard to any extension of time for paying the tax).

§ 46.6151-1 TIME AND PLACE FOR PAYING TAX SHOWN ON RETURN.—

(a) **In general.**—The tax required to be reported on each tax return required under this subpart is due and payable to the district director, without assessment or notice and demand, at the time prescribed in § 46.6071(a)-1 for filing such return. For provisions with respect to the time and place for payment of taxes imposed on circulation other than of national banks, see § 46.4884-1.

(b) **Use of Government depositories.**—For provisions relating to the use of Federal Reserve banks and authorized commercial banks in depositing the taxes, see §§ 46.6302(c)-1 and 46.6302(c)-2.

§ 46.6161(a)(1) STATUTORY PROVISIONS; EXTENSION OF TIME FOR PAYING TAX.

SEC. 6161. EXTENSION OF TIME FOR PAYING TAX.

(a) AMOUNT DETERMINED BY TAXPAYER ON RETURN.—

(1) **GENERAL RULE.**—The Secretary or his delegate, except as otherwise provided in this title, may extend the time for payment of the amount of the tax shown, or required to be shown, on any return or declaration required under authority of this title (or any installment thereof), for a reasonable period not to exceed 6 months from the date fixed for payment thereof. Such extension may exceed 6 months in the case of a taxpayer who is abroad.

§ 46.6161(a)(1)-1 EXTENSION OF TIME FOR PAYING TAX SHOWN ON RETURN.—No extension of time will be granted for payment of all or any part of the amount of the taxes to which the regulations in this part have application.

§ 46.6302(b) STATUTORY PROVISIONS; MODE OR TIME OF COLLECTION.

SEC. 6302. MODE OR TIME OF COLLECTION. * * *

(b) **DISCRETIONARY METHOD.**—Whether or not the method of collecting any tax imposed by * * * sections 4501(a) or 4511 of chapter 37 is specifically provided for by this title, any such tax may, under regulations prescribed by the Secretary or his delegate, be collected by means of returns, stamps, coupons, tickets, books, or such other reasonable devices or methods as may be necessary or helpful in securing a complete and proper collection of the tax.

[Sec. 6302(b) as amended by sec. 203(b), Highway Revenue Act 1956 (70 Stat. 301) (P.L. 827, C.B. 1956-2, 1150)]

§ 46.6302(b)-1 METHOD OF COLLECTION.—For provisions relating to collection by means of returns of the taxes imposed by sections 4501(a) and 4511 of chapter 37, see § 46.6011(a)-1.

§ 46.6302(c) STATUTORY PROVISIONS; MODE OR TIME OF COLLECTION.

SEC. 6302. MODE OR TIME OF COLLECTION. * * *

(c) **USE OF GOVERNMENT DEPOSITARIES.**—The Secretary or his delegate may authorize Federal Reserve banks, and incorporated banks or trust companies which are depositaries or financial agents of the United States, to receive any tax imposed under the Internal Revenue laws, in such manner, at such times, and under such conditions as he may prescribe; and he shall prescribe the manner, time and conditions under which the receipt of such tax by such banks and trust companies is to be treated as payment of such tax to the Secretary or his delegate.

§ 46.6302(c)-1 USE OF GOVERNMENT DEPOSITARIES.—(a) **Requirement.**—(1) **In general.**—Except as provided in paragraph (b) of this section, if any person required to file a quarterly return, on Form 720, has a total liability of more than \$100 for all excise taxes reportable by him for a calendar month on Form 720, the amount of tax reportable with respect to such calendar month shall be deposited by him with a Federal Reserve bank on or before the last day of the next succeeding calendar month. Each such remittance shall be accompanied by a Depositary Receipt for Federal Excise Taxes (Form 537). Such depositary receipt shall be prepared in accordance with the instructions and regulations applicable thereto. The taxpayer shall forward such remittance, together with such depositary receipt, to a Federal Reserve bank or, at his election, to a commercial bank authorized in accordance with Treasury Department Circular No. 848 to accept remittances of the taxes for transmission to a Federal

Reserve bank. After the Federal Reserve bank has validated the depositary receipt, such depositary receipt will be returned to the taxpayer. Every taxpayer making deposits pursuant to this section shall attach to his return for the calendar quarter with respect to which such deposits are made, in part or in full payment of the taxes shown thereon, depositary receipts so validated, and shall pay to the district director the balance, if any, of the taxes due for such quarter. An amount of tax which is not required to be deposited may nevertheless be deposited if the taxpayer so desires. If a deposit is made for the last month of the quarter, the taxpayer shall make it in ample time to enable the Federal Reserve bank to return the validated receipt to the taxpayer so that it can be attached to and filed with the taxpayer's return.

(2) *Procurement of depositary receipt form.*—Initially, Form 537, Depositary Receipt for Federal Excise Taxes, will so far as possible be furnished the taxpayer by the district director. A taxpayer not supplied with the proper form should make application therefor to the district director in ample time to have such form available for use in making his initial deposit within the time prescribed in subparagraph (1) of this paragraph. Thereafter, a blank form will be sent to the taxpayer by the Federal Reserve bank when returning the validated depositary receipt. A taxpayer may secure additional forms from a Federal Reserve bank by applying therefor and advising the bank of his identification number. The taxpayer's identification number and name, as entered on each depositary receipt, shall be the same as they are required to be shown on the return to be filed with the district director. The address of the taxpayer, as shown on each depositary receipt, shall be the address to which the receipt should be returned following validation by the Federal Reserve bank.

(3) *Taxpayer's identification number.*—The taxpayer's identification number for the Depositary Receipt for Federal Excise Taxes, Form 537, shall be the same as the identification number, if any, assigned to the taxpayer for use in connection with depositary receipts required for other internal revenue taxes. If a taxpayer does not have an identification number, he should request the assignment of such a number by the district director for his district.

(b) *Monthly returns.*—The provisions of this section are not applicable with respect to taxes for the month in which the taxpayer receives notice from the district director that returns are required under paragraph (b) of § 46.6011(a)-1, or for any subsequent month for which such a return is required.

§ 46.6302(c)-2 *Cross REFERENCES.*—(a) *Failure to deposit.*—For provisions relating to the penalty for failure to make a deposit within the prescribed time, see § 301.6650-1 of this chapter (Regulations on Procedure and Administration).

(b) *Saturday, Sunday, or legal holiday.*—For provisions relating to the time for performance of acts when the last day falls on Saturday, Sunday, or a legal holiday, see § 301.7503-1 of this chapter (Regulations on Procedure and Administration).

§ 46.6402(a) STATUTORY PROVISIONS; AUTHORITY TO MAKE CREDITS OR REFUNDS.

SEC. 6402. AUTHORITY TO MAKE CREDITS OR REFUNDS.

(a) **GENERAL RULE.**—In the case of any overpayment, the Secretary or his delegate, within the applicable period of limitations, may credit the amount of such overpayment, including any interest allowed thereon, against any liability in respect of an internal revenue tax on the part of the person who made the overpayment and shall refund any balance to such person.

§ 46.6402(a)-1 AUTHORITY TO MAKE CREDITS OR REFUNDS.—For regulations under section 6402 of general application in respect of credits or refunds, see §§ 301.6402-1 and 301.6402-2 of this chapter (Regulations on Procedure and Administration).

§ 46.6404(a) STATUTORY PROVISIONS; ABATEMENTS.

SEC. 6404. ABATEMENTS.

(a) **GENERAL RULE.**—The Secretary or his delegate is authorized to abate the unpaid portion of the assessment of any tax or any liability in respect thereof, which—

- (1) Is excessive in amount, or
- (2) Is assessed after the expiration of the period of limitation properly applicable thereto, or
- (3) Is erroneously or illegally assessed.

§ 46.6404(a)-1 ABATEMENTS.—For regulations under section 6404 of general application in respect of abatements of assessments of tax, see § 301.6404-1 of this chapter (Regulations on Procedure and Administration).

§ 46.6412(d) STATUTORY PROVISIONS; FLOOR STOCKS REFUNDS.

SEC. 6412. FLOOR STOCKS REFUNDS. . . .

(d) **SUGAR.**—With respect to any sugar or articles composed in chief value of sugar upon which tax imposed under section 4501(b) has been paid and which, on June 30, 1961, are held by the importer and intended for sale or other disposition, there shall be refunded (without interest) to such importer, subject to such regulations as may be prescribed by the Secretary or his delegate, an amount equal to the tax paid with respect to such sugar or articles composed in chief value of sugar, if claim for such refund is filed with the Secretary or his delegate on or before September 30, 1961.

[Sec. 6412(d) as amended by sec. 19, Act of May 20, 1956 (Public Law 545, 84th Cong., 70 Stat. 221) (C.B. 1956-1, 687); sec. 162 (a), Excise Tax Technical Changes Act 1958 (72 Stat. 1306) (P.L. 85-866, C.B. 1958-8, 254)]

§ 46.6417 STATUTORY PROVISIONS; CREDITS AND REFUNDS OF TAXES ON COCONUT AND PALM OIL.

SEC. 6417. COCONUT AND PALM OIL.

(a) **SALES TO STATES OR POLITICAL SUBDIVISIONS.**—Subject to such rules or regulations as the Secretary or his delegate may prescribe, any person who has sold to a State, or a political subdivision thereof, for use in the exercise of an essential governmental function any article containing any oil, combination, or mixture, upon the processing of which a tax has been paid under section 4511, shall be entitled to a credit or refund of the tax paid with respect to the quantity of such oil, combination, or mixture contained in such article.

(b) **EXPORTATION.**—Upon the exportation to any foreign country or to a possession of the United States of any article, wholly or in chief value of an article, with respect to the processing of which a tax has been paid under subchapter B of chapter 37, the exporter thereof shall be entitled to a refund of the amount of such tax.