

contribution to surplus made by the original purchaser at the time of his purchase;

(3) Any distribution after December 31, 1963, of the stock of a controlled corporation to which section 355 applies, if such controlled corporation is an insurance company subject to the tax imposed by section 831 and if—

(A) Control was acquired prior to January 1, 1958, or

(B) Control has been acquired after December 31, 1957—

(i) In a transaction qualifying as a reorganization under section 368(a) (1) (B), if the distributing corporation has at all times since December 31, 1957, owned stock representing not less than 50 percent of the total combined voting power of all classes of stock entitled to vote, and not less than 50 percent of the value of all classes of stock, of the controlled corporation, or

(ii) Solely in exchange for stock of the distributing corporation which stock is immediately exchanged by the controlled corporation in a transaction qualifying as a reorganization under section 368(a) (1) (A) or (C), if the controlled corporation has at all times since its organization been wholly owned by the distributing corporation and the distributing corporation has at all times since December 31, 1957, owned stock representing not less than 50 percent of the total combined voting power of all classes of stock entitled to vote, and not less than 50 percent of the value of all classes of stock, of the corporation the assets of which have been transferred to the controlled corporation in section 368(a) (1) (A) or (C) reorganization;

(4) Any distribution after December 31, 1963, of the stock of a controlled corporation to which section 355 applies, if such distribution is made to a corporation which immediately after the distribution is in control (within the meaning of section 368(c)) of both the distributing corporation and such controlled corporation and if such controlled corporation is a life insurance company of which the distributing corporation has been in control at all times since December 31, 1957; or

(5) Any distribution after December 31, 1963, of the stock of a controlled corporation to which section 355 applies, if such distribution is made to a corporation which immediately after the distribution is the owner of all of the stock of all classes of both the distributing corporation and such controlled corporation and if, immediately before the distribution, the distributing corporation had been the owner of all of the stock of all classes of such controlled corporation at all times since December 31, 1957.

Paragraphs (3), (4), and (5) shall not apply to that portion of the distribution of stock of the controlled corporation equal to the increase in the aggregate adjusted basis of such stock after December 31, 1957, except to the extent such increase results from an acquisition of stock in the controlled corporation in a transaction described in paragraph (3) (B). If any part of the increase in the aggregate adjusted basis of stock of the controlled corporation after December 31, 1957, results from the transfer (other than as part of a transaction described in paragraph (3) (B)) by the distributing corporation to the controlled corporation of property which has a fair market value in excess of its adjusted basis at the time of the transfer, paragraphs (3), (4), and (5) also shall not apply to that portion of the distribution equal to such excess.

(g) Certain distributions related to former subsidiaries. If subsection (f) (5) applied to the distribution by a life insurance company of the stock of a corporation which was a controlled corporation—

(1) Any distribution by such corporation to its shareholders (after the date of the distribution of its stock by the life insurance company), and

(2) Any disposition of the stock of such corporation by the distributee corporation, shall, for purposes of this section, be treated as a distribution to its shareholders by such life insurance company, until the amounts so treated equal the amount of the distribution of such stock which by reason of subsection (f) (5) was not included as a distribution for purposes of this section.

[Sec. 815 as added by sec. 2, Life Insurance Company Income Tax Act of 1959 (73 Stat. 129); amended by sec. 3, Act of October 10, 1962 (Public Law 87-790, 76 Stat. 808); sec. 3(b), Act of October 23, 1962 (Public Law 87-858, 76 Stat. 1136); secs. 2 and 4, Act of September 2, 1964 (Public Law 88-571, 78 Stat. 857); sec. 4, Act of December 27, 1967 (Public Law 90-225, 81 Stat. 733); sec. 907(b), Tax Reform Act, 1969 (83 Stat. 715)]

PAR. 2. Paragraph (c) (1) of § 1.815-2 is amended to read as follows:

§ 1.815-2 Distributions to shareholders.

(c) *Distributions to shareholders defined.* (1) Except as otherwise provided in section 815(f) and subparagraph (2) of this paragraph, the term "distribution", as used in section 815(a) and paragraph (b) of this section, means any distribution of property made by a life insurance company to its shareholders. For purposes of the preceding sentence, the term "property" means any property (including money, securities, and indebtedness to the company) other than stock, or rights to acquire stock, in the company making the distribution. Thus, for example, the term includes a dividend under section 316, but is not limited to the extent that such distribution must be made out of the accumulated or current earnings and profits of the company making the distribution. For example, except as otherwise provided in section 815(f) and subparagraph (2) of this paragraph, there is a distribution within the meaning of this paragraph in any case in which a corporation acquires the stock of a shareholder in exchange for property in a redemption treated as a distribution in exchange for stock under section 302(a) or treated as a distribution of property under section 302(d). For special rules relating to distributions to shareholders in acquisition of stock pursuant to a plan of mutualization, see section 815(e) and paragraph (e) of § 1.815-6.

PAR. 3. Section 1.815-3 is amended to read as follows:

§ 1.815-3 Shareholders surplus account.

(b) *Additions to shareholders surplus account.* (1) The amount added to the shareholders surplus account for any taxable year beginning after December 31, 1957, shall be the amount by which the sum of:

(i) The life insurance company taxable income (computed without regard to section 802(b) (3)),

(ii) In the case of a taxable year beginning after December 31, 1958, the amount (if any) by which the net long-term capital gain exceeds the net short-term capital loss, reduced (in the case of a taxable year beginning after December 31, 1961) by the amount referred to in subdivision (i) of this subparagraph,

(iii) The deduction for partially tax-exempt interest provided by section 242 (as modified by section 804(a) (3)), the deductions for dividends received provided by sections 243, 244, and 245 (as modified by section 809(d) (8) (B)), and the amount of interest excluded from gross income under section 103, and

(iv) The small business deduction provided by section 809(d) (10).

Exceeds the taxes imposed for the taxable year by section 802(a), computed without regard to section 802(b) (3).

[FR Doc. 72-9892 Filed 6-28-72; 8:52 am]

SUBCHAPTER D—MISCELLANEOUS EXCISE TAXES
[T.D. 7190]

PART 154—TEMPORARY REGULATIONS IN CONNECTION WITH THE AIRPORT AND AIRWAY REVENUE ACT OF 1970

Tax on Transportation of Property by Air

In order to permit the filing of blanket exemption certificates where it is impracticable for a shipper of property for export to execute a separate exemption certificate for each payment otherwise subject to the tax on transportation of property by air, the temporary regulations relating to such tax are amended as follows:

Section 154.2-1, *Tax on transportation of property by air*, is amended as follows:

PARAGRAPH 1. Paragraph (d) (2) is amended to read as follows:

(d) *Exportation involving two or more modes of transportation.* * * *

(2) (i) Continuous movement in the course of exportation shall be evidenced by (a) the execution of either the Export Exemption Certificate, Form 1363, or the Blanket Export Exemption Certificate, Form 1363A, and (b) proof that exportation has actually occurred.

(ii) The Export Exemption Certificate, Form 1363, may be used in connection with a separate payment otherwise subject to tax. The certificate shall be executed, in duplicate, by the shipper or other person making the payment subject to tax. Such person shall retain the duplicate with the shipping papers for at least 3 years from the last day of the month during which the shipment was made from the point of origin, and shall file the original with the carrier at the time of payment of the transportation charge. The carrier receiving the original certificate shall retain it along with the document showing payment of the transportation charge, for a period of at least 3 years from the last day of the month

during which the shipment was made from the point of origin.

(iii) The Blanket Export Exemption Certificate, Form 1363A, may be used, with the permission of the district director, by a person who expects to make payments for numerous export shipments over an indefinite period of time and who demonstrates to the satisfaction of the district director that it is impracticable to execute a separate Form 1363 for each payment. Permission to execute the certificate shall be requested, in writing, from the district director for the district in which is located the principal place of business or principal office or agency of the shipper or other person seeking permission. If permission is granted a separate certificate shall be executed in duplicate, by the shipper or other person making the payments, for each air carrier to be used in making export shipments. Such person shall retain the duplicate together with all shipping papers, and shall file the original with the air carrier with or before payment of the first transportation charge to be covered by the certificate. The air carrier shall retain the original certificate together with all documents showing payment of the transportation charges. Permission to execute Form 1363A, if granted, shall remain in force until withdrawn by the person who requested such permission or until withdrawn by the district director who granted such permission. Each person shall retain the certificate for at least 3 years after the last day of the month during which the final shipment covered by the certificate was made from the point of origin. Each person shall retain the shipping and payment documents for at least 3 years after the last day of the month during which the shipment was made from the point of origin.

PAR. 2. The first sentence of paragraph (d) (3) is amended by inserting "or Form 1363A" immediately after "Form 1363".

PAR. 3. The third sentence of paragraph (d) (4) is amended by inserting "or the Blanket Export Exemption Certificate, Form 1363A," immediately after "Form 1363".

PAR. 4. Paragraph (f) (1) is amended by striking out "U.S. Post Office Department" and inserting in lieu thereof "U.S. Postal Service," and by striking out "Department" and inserting in lieu thereof "Service."

Because the amendment made by this Treasury decision could not operate to the detriment of any taxpayer, it is found that it is unnecessary to issue this Treasury decision with notice and public procedure thereon under section 553(b) of title 5 of the United States Code or subject to the effective date limitation of section 553(d) of such title.

(Secs. 4272(b) (2), 7805, Internal Revenue Code of 1954, 84 Stat. 240, 68A Stat. 917; 26 U.S.C. 4272(b) (2), 7805)

JOHNNIE M. WALTERS,
Commissioner.

Approved: June 23, 1972.

FREDERIC W. HICKMAN,
Acting Assistant Secretary
of the Treasury.

[FR Doc. 72-9893 Filed 6-28-72; 8:51 am]

SUBCHAPTER F—PROCEDURES AND ADMINISTRATION

[T.D. 7188]

PART 301—PROCEDURES AND ADMINISTRATION

Miscellaneous Amendments

On April 1, 1972, a notice of proposed rule making to amend 26 CFR Part 301 was published in the FEDERAL REGISTER (37 F.R. 6689). In accordance with the notice, interested persons were afforded an opportunity to submit written comments or suggestions pertaining thereto. No comments or suggestions were received within the 30-day period prescribed in the notice and the amendments as published in the FEDERAL REGISTER are hereby adopted.

Because this Treasury decision merely provides conforming and procedural amendments to 26 CFR Part 301, it is found that it is unnecessary to issue this Treasury decision subject to the effective date limitation of 5 U.S.C. 553(d). Accordingly, this Treasury decision shall become effective on the date of its publication in the FEDERAL REGISTER (6-29-72).

(Sec. 7805, Internal Revenue Code, 68A Stat. 917; 26 U.S.C. 7805)

[SEAL] JOHNNIE M. WALTERS,
Commissioner of Internal Revenue.

Approved: June 23, 1972.

FREDERIC W. HICKMAN,
Acting Assistant Secretary
of the Treasury.

In order to (1) conform the regulations to changes in law, (2) provide that the regional counsel shall authorize or sanction forfeiture proceedings, (3) provide for certain functions to be performed by Directors of Service Centers, (4) reflect recent organizational changes, and (5) make other conforming and editorial changes, the regulations in 26 CFR Part 301 are amended as follows:

PARAGRAPH 1. Paragraph (b) of § 301.6091-1, subparagraph (2) of paragraph (a) of § 301.6402-2, and paragraph (c) of § 301.6404-1, and §§ 301.7321-1, 301.7322-1, 301.7328-1, 301.7601-1, and 301.7622-1, are amended by changing "assistant regional commissioner (alcohol and tobacco tax)", wherever it appears, to read "assistant regional commissioner (alcohol, tobacco and firearms)".

PAR. 2. Paragraph (b) of § 301.6091 is revised to reflect changes made in section

6091, I.R.C., by Public Law 89-713. As amended, § 301.6091(b) reads as follows:

§ 301.6091 Statutory provisions; place for filing returns or other documents.

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

(1) *Persons other than corporations.*

(A) *General rule.* Except as provided in subparagraph (B), a return (other than a corporation return) shall be made to the Secretary or his delegate—

(i) in the internal revenue district in which is located the legal residence or principal place of business of the person making the return, or

(ii) at a service center serving the internal revenue district referred to in clause (i),

as the Secretary or his delegate may by regulations designate.

(B) *Exception.* Returns of—

(i) persons who have no legal residence or principal place of business in any internal revenue district,

(ii) citizens of the United States whose principal place of abode for the period with respect to which the return is filed is outside the United States,

(iii) persons who claim the benefits of section 911 (relating to earned income from sources without the United States), section 931 (relating to income from sources within possessions of the United States), or section 933 (relating to income from sources within Puerto Rico), and

(iv) Nonresident alien persons,

shall be made at such place as the Secretary or his delegate may by regulations designate.

(2) *Corporations.*

(A) *General rule.* Except as provided in subparagraph (B), a return of a corporation shall be made to the Secretary or his delegate—

(i) in the internal revenue district in which is located the principal place of business or principal office or agency of the corporation, or

(ii) at a service center serving the internal revenue district referred to in clause (i),

as the Secretary or his delegate may by regulations designate.

(B) *Exception.* Returns of—

(i) corporations which have no principal place of business or principal office or agency in any internal revenue district,

(ii) corporations which claim the benefits of section 922 (relating to special deduction for Western Hemisphere trade corporations), section 931 (relating to income from sources within possessions of the United States), or section 941 (relating to the special deduction for China Trade Act corporations), and

(iii) foreign corporations

shall be made at such place as the Secretary or his delegate may by regulations designate.

(3) *Estate tax returns.* Returns of estate tax required under section 6018 shall be made to the Secretary or his delegate in the internal revenue district in which was the domicile of the decedent at the time of his death or, if there was no such domicile in an internal revenue district, then at such place as the Secretary or his delegate may by regulations prescribe.

(4) *Hand-carried returns.* Notwithstanding paragraph (1) or (2), a return to which paragraph (1)(A) or (2)(A) would apply, but for this paragraph, which is made to the Secretary or his delegate by hand carrying shall, under regulations prescribed by the Secretary or his delegate, be made in the internal revenue district referred to in paragraph (1)(A)(i) or (2)(A)(i), as the case may be.

(5) *Exceptional cases.* Notwithstanding paragraph (1), (2), (3), or (4) of this subsection, the Secretary or his delegate may permit a return to be filed in any internal revenue district, and may require the return of any officer or employee of the Treasury Department to be filed in any internal revenue district selected by the Secretary or his delegate.

[Sec. 6091 as amended by sec. 1(a), Public Law 89-713 (80 Stat. 1107)]

PAR. 3. Subparagraph (3) of paragraph (a) of § 301.6311-1 is amended to conform to recent organizational changes and to delete an obsolete reference. As amended, § 301.6311-1(a)(3) reads as follows:

§ 301.6311-1 Payment by check or money order.

(a) *Authority to receive* * * *

(3) *Payment of tax on distilled spirits, wine, beer, cigars, or cigarettes; proprietor in default.* Where a check or money order tendered in payment for taxes on distilled spirits, wines, beer, or rectified products (imposed under chapter 51 of the Code), or cigars or cigarettes (imposed under chapter 52 of the Code) is not paid on presentment, or where a taxpayer is otherwise in default in payment of such taxes made during the period of such default, and until the assistant regional commissioner (alcohol, tobacco and firearms) finds that the revenue will not be jeopardized by the acceptance of personal checks (if acceptable to the district director under subparagraph (1) of this paragraph), shall be in cash, or shall be in the form of a certified, cashier's, or treasurer's check, drawn on any bank or trust company incorporated under the laws of the United States, or under the laws of any State or possession of the United States, or a money order as described in subparagraph (1) of this paragraph.

PAR. 4. Section 301.6423-1 is amended to reflect changes in law made by Public Law 89-44. As amended, § 301.6423-1 reads as follows:

§ 301.6423-1 Conditions to allowance in the case of alcohol and tobacco taxes.

For regulations under section 6423, see Part 170 of this chapter, relating to distilled spirits, wine, and beer; and Part 296 of this chapter, relating to cigars, cigarettes, and cigarette papers and tubes.

PAR. 5. In § 301.6653, subparagraph (1) of paragraph (c), and paragraph (d) are amended to reflect changes in law made by Public Law 91-172, and the statutory citation is updated. As amended, § 301.6653(c)(1), § 301.6653(d), and the statutory citation read as follows:

§ 301.6653 Statutory provisions; failure to pay tax.

(c) *Definition of underpayment.* * * *

(1) *Income, estate, gift, and chapter 42 taxes.* In the case of a tax to which section 6211 (relating to income, estate, gift, and chapter 42 taxes) is applicable, a deficiency as defined in that section (except that, for this purpose, the tax shown on a return

referred to in section 6211(a)(1)(A) shall be taken into account only if such return was filed on or before the last day prescribed for the filing of such return, determined with regard to any extension of time for such filing), and

(d) *No delinquency penalty if fraud assessed.* If any penalty is assessed under subsection (b) (relating to fraud) for an underpayment of tax which is required to be shown on a return, no penalty under section 6651 (relating to failure to file such return or pay tax) shall be assessed with respect to the same underpayment.

[Sec. 6653 as amended by sec. 86, Technical Amendments Act 1958 (72 Stat. 1665); secs. 101(j)(50) and 943(c)(6), Public Law 91-172 (83 Stat. 531, 729)]

PAR. 6. Section 301.6805-1 is amended by reflecting changes resulting from the transfer of functions from offices of district directors to service centers and by deleting subparagraph (3) of paragraph (a). As amended, § 301.6805-1 reads as follows:

§ 301.6805-1 Redemption of stamps.

(a) *Authorization.* (1) Upon receipt of satisfactory evidence of the facts by the district director or director of the service center, he may make allowance for or redeem stamps issued under the authority of any internal revenue law if—

(i) The stamps have been spoiled, destroyed, or rendered useless or unfit for the purpose intended, or

(ii) The owner of the stamps has no use therefor.

(2) If a stamp has been in use for any period of time, it may not be redeemed under section 6805. Similarly, no allowance shall be made for stamps which have been lost or stolen.

(b) *Method and conditions of allowance.* Such allowance or redemption may 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. Claims for the redemption of or allowance for stamps shall be made on Form 843 and filed with the district director or director of the service center within three years from the date of the purchase of the stamps from the Government. The stamps for which redemption or allowance is claimed shall be submitted with the claim. If the stamps are destroyed or damaged to the extent that they cannot be presented for redemption or allowance, proof satisfactory to the district director or director of the service center that they have been destroyed or so damaged must accompany the claim before allowance or redemption shall be made. In any case where the actual date of purchase of the stamps from the Government cannot be established, it must be definitely shown in the claim whether they were so purchased within three years prior to the date of filing of the claim.

(c) *Time for filing claims.* No claim for the redemption of, or allowance for, stamps shall be allowed under this section unless presented within 3 years after

the purchase of such stamps from the Government.

(d) *Finality of decisions.* The findings of fact in and the decision of the district director or director of the service center upon the merits of any claim presented under or authorized by this section, shall in the absence of fraud or mistake in mathematical calculation, be final and not subject to revision by any accounting officer.

PAR. 7. Section 301.6806-1 is amended by conforming it with changes made in section 6806, I.R.C., by Public Laws 89-44 and 90-618. As amended, § 301.6806-1 reads as follows:

§ 301.6806-1 Posting occupational tax stamps.

For provisions relating to the posting of specific stamps used with respect to a particular tax, other than a special tax under subchapter B of chapter 35, subchapter B of chapter 36, or subtitle E, see the regulations relating to such tax. For penalties for failure to post occupational tax stamps, see section 7273.

PAR. 8. Section 301.7210 is amended to include a reference to sections 6424(d)(2) and 6427(e)(2), I.R.C. As amended, § 301.7210 reads as follows:

§ 301.7210 Statutory provisions; failure to obey summons.

SEC. 7210. *Failure to obey summons.* Any person who, being duly summoned to appear to testify, or to appear and produce books, accounts, records, memoranda, or other papers, as required under sections 6420(e)(2), 6421(f)(2), 6424(d)(2), 6427(e)(2), 7602, 7603, and 7604(b), neglects to appear or to produce such books, accounts, records, memoranda, or other papers, shall, upon conviction thereof, be fined not more than \$1,000, or imprisoned not more than 1 year, or both, together with costs of prosecution.

[Sec. 7210 as amended by sec. 4(h), Act of Apr. 2, 1956 (Public Law 466, 84th Cong., 70 Stat. 91); sec. 208(d)(3), Highway Revenue Act 1956 (70 Stat. 396); sec. 202(c)(4), Public Law 89-44 (79 Stat. 139); sec. 207(d)(9), Public Law 91-258 (84 Stat. 249)]

PAR. 9. Section 301.7326 is amended by conforming the section with changes made in section 7326, I.R.C., by Public Laws 89-44 and 91-513; and paragraph (c) of § 301.7326-1 is amended by deleting a reference of § 177.102 and by inserting in lieu thereof a reference to § 178.166. As amended, §§ 301.7326 and 301.7326-1(c) read as follows:

§ 301.7326 Statutory provisions; disposal of forfeited or abandoned property in special cases.

SEC. 7326. *Disposal of forfeited or abandoned property in special cases—(a) Coin-operated gaming devices.* Any coin-operated gaming device as defined in section 4462 upon which a tax is imposed by section 4461 and which has been forfeited under any provision of this title shall be destroyed, or otherwise disposed of, in such manner as may be prescribed by the Secretary or his delegate.

(b) [Repealed]

(c) *Firearms.* For provisions relating to disposal of forfeited firearms, see section 5862(b).

[Sec. 7326 as amended by sec. 204(13), Excise Tax Technical Changes Act 1958 (72 Stat. 1429); sec. 601(j), Public Law 89-44 (79 Stat.

155); sec. 1102(f), Public Law 91-513 (84 Stat. 1292)]

§ 301.7326-1 Disposal of forfeited or abandoned property in special cases.

(c) *Firearms.* For regulations relating to the disposal of forfeited firearms or ammunition, see § 178.166 of this chapter (Commerce in Firearms and Ammunition), and § 179.182 of this chapter (Machine Guns, Destructive Devices, and Certain Other Firearms).

PAR. 10. Paragraph (a) of § 301.7401-1 is amended to reflect an organizational change. As amended, § 301.7401-1(a) reads as follows:

§ 301.7401-1 Authorization.

(a) *In general.* No civil action for the collection or recovery of taxes, or of any fine, penalty, or forfeiture, shall be commenced unless the Commissioner (or the Director, Alcohol, Tobacco and Firearms Division, with respect to the provisions of subtitle E of the Code), or the Chief Counsel for the Internal Revenue Service or his delegate authorizes or sanctions the proceedings and the Attorney General or his delegate directs that the action be commenced.

PAR. 11. In § 301.7602-1, paragraphs (b) and (c) are amended by including references to sections 6424(d)(2) and 6427(e)(2), I.R.C., and by updating the title in subparagraph (3) of paragraph (c). As amended, § 301.7602-1 (b) and (c) read as follows:

§ 301.7602-1 Examination of books and witnesses.

(b) *Summons.* For the purposes described in paragraph (a) of this section the officers and employees of the Internal Revenue Service designated in paragraph (c) of this section are authorized to summon the person liable for tax or required to perform the act, or any officer or employee of such person, or any person having possession, custody, or care of books of accounts containing entries relating to the business of the person liable for tax or required to perform the act, or any other person deemed proper, to appear before a designated officer or employee of the Internal Revenue Service at a time and place named in the summons and to produce such books, papers, records, or other data, and to give such testimony, under oath, as may be relevant or material to such inquiry; and take such testimony of the person concerned, under oath, as may be relevant or material to such inquiry. The officers and employees designated in paragraph (c) of this section may designate any other employee of the Internal Revenue Service as the individual before whom a person summoned pursuant to section 6420(e)(2), 6421(f)(2), 6424(d)(2), 6427(e)(2), or 7602 shall appear. Any such other employee, when so designated in a summons, is authorized to take testimony under oath of the person summoned and to receive and examine books, papers, records, or other data produced in compliance with the sum-

mons. The authority to issue a summons may not be redelegated.

(c) *Persons who may issue summons.* The following officers and employees of the Internal Revenue Service are authorized to issue a summons pursuant to section 6420(e)(2), 6421(f)(2), 6424(d)(2), 6427(e)(2), or 7602—

(1) Regional commissioners and district directors.

(2) Inspection: Assistant Commissioner; director and assistant directors, Internal Security Division; regional inspectors; and all internal security inspectors.

(3) Alcohol, Tobacco and Firearms: Assistant regional commissioners.

(4) Intelligence: Director; assistant director; assistant regional commissioners; executive assistants to assistant regional commissioner; chiefs, Review and Conference Staff; reviewer-conferers; chiefs and assistant chiefs of divisions, branches, and sections; group supervisors; and special agents of the national, regional and district offices.

(5) International Operations: Director; assistant director; chiefs of divisions, branches, and groups; special agents; internal revenue agents; estate tax examiners, revenue service representatives; and assistant revenue service representatives.

(6) Collection: Chiefs and assistant chiefs of divisions; chiefs and assistant chiefs of the Delinquent Accounts and Returns Branches; group supervisors; and revenue officers.

(7) Audit: Chiefs of divisions and branches; group supervisors; internal revenue agents; and estate tax examiners.

PAR. 12. Section 301.7603 is amended to include a reference to sections 6424(d)(2) and 6427(e)(2), I.R.C. As amended, § 301.7603 reads as follows:

§ 301.7603 Statutory provisions; service of summons.

SEC. 7603. *Service of summons.* A summons issued under sections 6420(e)(2), 6421(f)(2), 6424(d)(2), 6427(e)(2), or 7602 shall be served by the Secretary or his delegate, by an attested copy delivered in hand to the person to whom it is directed, or left at his last and usual place of abode; and the certificate of service signed by the person serving the summons shall be evidence of the facts it states on the hearing of an application for the enforcement of the summons. When the summons requires the production of books, papers, records, or other data, it shall be sufficient if such books, papers, records, or other data are described with reasonable certainty.

[Sec. 7603 as amended by sec. 4(i), Act of Apr. 2, 1956 (Public Law 466, 84th Cong., 70 Stat. 91); sec. 208(d)(4), Highway Revenue Act 1956 (70 Stat. 396); sec. 202(c)(4), Public Law 89-44 (79 Stat. 139); sec. 207(d)(9), Public Law 91-258 (84 Stat. 249)]

PAR. 13. Section 301.7603-1 is amended to include a reference to sections 6424(d)(2) and 6427(e)(2), I.R.C., and to reflect changes in organization and position titles. As amended § 301.7603-1 reads as follows:

§ 301.7603-1 Service of summons.

(a) *In general.* A summons issued under section 6420(e)(2), 6421(f)(2),

6424(d)(2), 6427(e)(2), or 7602 shall be served by an attested copy delivered in hand to the person to whom it is directed, or left at his last and usual place of abode. The certificate of service signed by the person serving the summons shall be evidence of the facts it states on the hearing of an application for the enforcement of the summons. When the summons requires the production of books, papers, records, or other data, it shall be sufficient if such books, papers, records, or other data are described with reasonable certainty.

(b) *Persons who may serve summons.* The following officers and employees of the Internal Revenue Service are authorized to serve a summons issued under section 6420(e)(2), 6421(f)(2), 6424(d)(2), 6427(e)(2), or 7602—

(1) The officers and employees designated in paragraph (c) of § 301.7602-1, and

(2) Alcohol, Tobacco and Firearms: Chiefs; assistant chiefs; chief special investigators; special investigators; area supervisors; chief inspectors; and inspectors.

The authority to serve a summons may be redelegated only by the Assistant Commissioner (Inspection), regional commissioners, assistant regional commissioners (alcohol, tobacco and firearms), district directors, and the Director of International Operations to officers and employees under their jurisdiction.

PAR. 14. Section 301.7608-1 is amended to reflect changes in position titles. As amended, § 301.7608-1 reads as follows:

§ 301.7608-1 Authority of internal revenue enforcement officers.

Any special investigator, agent, or other internal revenue officer by whatever term designated, whom the Commissioner, Assistant Commissioner (Compliance), Director, Alcohol, Tobacco and Firearms Division, regional commissioner, or assistant regional commissioner (alcohol, tobacco and firearms) charges with the duty of enforcing any of the criminal, seizure, or forfeiture provisions of subtitle E of the Code or any other law of the United States pertaining to the commodities subject to tax under such subtitle for the enforcement of which such officers are responsible, may perform the functions provided in section 7608.

PAR. 15. Paragraph (g) of § 301.7623-1 is amended to refer to the current designation of this Division and of certain officers and employees. As amended, § 301.7623-1(g) reads as follows:

§ 301.7623-1 Rewards for information relating to violations of internal revenue laws.

(g) *Claims involving Alcohol, Tobacco and Firearms Division.* Rewards for information leading to the detection and punishment of persons guilty of violating the internal revenue laws administered by the Alcohol, Tobacco and Firearms Division shall be handled consistently with the provisions of this section, except that—

(1) Assistant regional commissioners (alcohol, tobacco and firearms), under the direction and supervision of the regional commissioners, shall perform all functions delegated to district directors by these regulations, and

(2) The Director, Alcohol, Tobacco and Firearms Division, Washington, D.C. 20224, shall perform all functions delegated to the Director, Intelligence Division, Washington, D.C. 20224, by these regulations.

PAR. 16. In § 301.7652, paragraph (a) (3) is amended to conform it to changes made in section 7652, I.R.C., by Public Law 89-44, and the statutory citation at the end of § 301.7652 is amended. As amended, § 301.7652(a) (3) and the statutory citation read as follows:

§ 301.7652 Statutory provisions; shipments to the United States.

Sec. 7652. Shipments to the United States—(a) Puerto Rico—(1) Rate of tax.

(3) Deposit of internal revenue collections. All taxes collected under the internal revenue laws of the United States on articles produced in Puerto Rico and transported to the United States (less the estimated amount necessary for payment of refunds and drawbacks), or consumed in the island, shall be covered into the treasury of Puerto Rico.

[Sec. 7652 as amended by sec. 204 (17), (18), Excise Tax Technical Changes Act 1958 (72 Stat. 1430); sec. 808(b) (3), Public Law 89-44 (79 Stat. 164)]

PAR. 17. Section 301.7652-1 is amended to delete references to tobacco materials and tobacco products. As amended, § 301.7652-1 reads as follows:

§ 301.7652-1 Shipments to the United States.

For regulations under section 7652, see Part 179 of this chapter, relating to machineguns, destructive devices, and certain other firearms; Part 250 of this chapter, relating to liquors and articles from Puerto Rico and the Virgin Islands; and Part 275 of this chapter, relating to cigars, cigarettes, and cigarette papers and tubes.

PAR. 18. Section 301.7653-1 is amended to delete references to tobacco materials and tobacco products. As amended, § 301.7653-1 reads as follows:

§ 301.7653-1 Shipments from the United States.

For regulations under section 7653, see Part 179 of this chapter, relating to machineguns, destructive devices, and certain other firearms; Part 196 of this chapter, relating to stills; Part 252 of this chapter, relating to exportation of liquors; and Part 290 of this chapter, relating to exportation of cigars, cigarettes, and cigarette papers and tubes.

PAR. 19. Paragraph (f) of § 301.9000-1 is amended to include reference to tobacco and explosives cases and to conform it to provisions of 26 CFR 601.702 (d) (12). As amended, § 301.9000-1(f) reads as follows:

§ 301.9000-1 Procedure to be followed by officers and employees of the Internal Revenue Service upon receipt of a request or demand for disclosure of internal revenue records or information.

(f) State liquor, tobacco, firearms, or explosives cases. Assistant regional commissioners (alcohol, tobacco and firearms) or the Director, Alcohol, Tobacco and Firearms Division, may, in the interest of Federal and State law enforcement, upon receipt of demands or requests of State authorities, and at the expense of the State, authorize special investigators and other employees under their supervision to attend trials and administrative hearings in liquor, tobacco, firearms, or explosives cases in which the State is a party, produce records, and testify as to facts coming to their knowledge in their official capacities: *Provided*, That such production or testimony will not divulge information contrary to section 7213 of the Code, nor divulge information subject to the restrictions in section 5848. See also 18 U.S.C. 1905.

[FR Doc.72-9874 Filed 6-28-72;8:53 am]

Title 31—MONEY AND FINANCE: TREASURY

Chapter II—Fiscal Service, Department of the Treasury

PART 210—PAYMENT OF DISBURSING OFFICERS' CHECKS DRAWN ON THE TREASURER OF THE UNITED STATES AND SIGNED IN THE NAMES OF DISBURSING OFFICERS BY DESIGNATED EMPLOYEES

PART 226—PURCHASE OF SURETY BONDS TO COVER CIVILIAN OFFICERS AND EMPLOYEES AND MILITARY PERSONNEL IN EXECUTIVE BRANCH OF THE FEDERAL GOVERNMENT

Revocations

Public Law 91-310, enacted June 6, 1972, repeals the statutory requirements for bonding Federal civilian employees and military personnel in connection with the faithful performance of their official duties. The repeal renders obsolete certain Treasury Department regulations concerning surety bonding. Consequently, the Department finds it necessary to revoke its regulations in §§ 210.4 and 210.5 of Title 31 of the Code of Federal Regulations which provide for the bonding of assistant disbursing officers of the Government, and Part 226 of Title 31, which provides generally for the surety bonding of employees and personnel in the executive branch.

The Department also finds it proper to revoke the remainder of Part 210,

which prescribes intra-Government procedures having no public impact.

Part 210 also appears as Treasury Department Circular No. 423, as supplemented, which will be revised and remain as a circular only. Part 226 also appears as Treasury Department Circular No. 969 which, as of this date, is rescinded.

Since the revocations are either legally necessary or concern matters which have no public effect, notice and public procedure respecting these actions are not appropriate or needed.

Accordingly, Subchapter A, Chapter II of Title 31 of the Code of Federal Regulations is hereby amended by revoking Parts 210 and 226.

Dated: June 23, 1972.

[SEAL] JOHN R. CARLOCK,
Fiscal Assistant Secretary.
[FR Doc.72-9875 Filed 6-28-72;8:50 am]

Title 41—PUBLIC CONTRACTS AND PROPERTY MANAGEMENT

Chapter 3—Department of Health, Education, and Welfare

PART 3-1—GENERAL POLICIES

Elimination of Role of Office of Procurement and Materiel Management in Disputes Appeals

Chapter 3, Title 41, Code of Federal Regulations is amended as set forth below. The purpose of this amendment is to provide for the elimination of the role of the Office of Procurement and Materiel Management, OASAM, in the disputes appeals procedure. Provision is made for the submission of appeals files to the Office of General Counsel (GBA) only.

It is the general policy of the Department of Health, Education, and Welfare to allow time for interested parties to take part in the rule making process. However, the amendment herein involves only internal administrative procedures. Therefore, the public rule making process is deemed unnecessary in this instance.

Section 3-1.318 is revised to read as follows:

§ 3-1.318 Contracting officer's decision under a disputes clause.

A copy of each contracting officer's decision shall be furnished to the contractor by certified mail, return receipt requested, or in person, obtaining a receipt therefor.

§ 3-1.318-50 Decision preparation, processing, and modification or withdrawal.

(a) Where a dispute arises under a contract, the contracting officer will prepare a final decision pursuant to the Disputes Clause of the contract. This single document in the format set forth in paragraph (b) of this section should contain a simple and concise statement of: (1) The claim, (2) the decision,