39TH CONGRESS,
2D SESSION.

H. R. 1161.

IN THE SENATE OF THE UNITED STATES.

FEBRUARY 26, 1867.

Read twice and referred to the Committee on Finance.

AN ACT

To amend existing laws relating to internal revenue.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all acts in relation to the assessment, return, collection, and payment of the income tax, special tax, and other annual taxes now by law required to be performed in the month of May, shall hereafter be performed on the corresponding days in the month of March in each year; all acts required to be performed in the month of June, in relation to the collection, return, and payment of said taxes, shall hereafter be performed on the corresponding days of the month of April of each year.

SEC. 2. *And be it further enacted,* That apothecaries, butchers, confectioners, and plumbers and gas-fitters, whose annual sales exceed twenty-five thousand dollars, shall

4 pay, in addition to the special tax now required by law, one
5 dollar for every thousand dollars in excess of said twenty-five
6 thousand dollars; and the taxes on such excess shall be
7 assessed and paid in the manner provided in the case of
8 wholesale dealers.

1 SEC. 3. *And be it further enacted,* That in all suits or
2 proceedings arising under the internal revenue laws, to which
3 the United States is party, and in all suits or proceedings
4 against a collector or other officer of the internal revenue,
5 wherein a district attorney shall appear for the purpose of
6 prosecuting or defending, it shall be the duty of said attorney
7 immediately at the end of every term of the court in which
8 said suit or proceeding is or shall be instituted, to forward to
9 the Commissioner of Internal Revenue a full and particular
10 statement of the condition of all such suits or proceedings
11 appearing upon the docket of said court: *Provided,* That
12 upon the institution of any such suit or proceeding it shall be
13 the duty of said attorney to report to said commissioner the
14 full particulars relating to such suit or proceeding; and it
15 shall be the duty of the Commissioner of Internal Revenue,
16 (with the approval of the Secretary of the Treasury,) to
17 establish such rules and regulations, not inconsistent with law,
18 for the observance of revenue officers, district attorneys and
19 marshals, respecting suits arising under the internal revenue
20 laws, in which the United States is a party, as may be deemed

21 necessary for the just responsibility of those officers and the
22 prompt collection of all revenues and debts due and accruing
23 to the United States under such laws.

1 SEC. 4. *And be it further enacted,* That the Commis-
2 sioner of Internal Revenue shall have charge of all lands and
3 other property which have been or shall be assigned, set off,
4 or conveyed, by purchase or otherwise, to the United States,
5 in payment of debts arising under the laws relating to internal
6 revenue, and of all trusts created for the use of the United
7 States, in payment of such debts due them; and, with the
8 approval of the Secretary of the Treasury, may sell and dispose
9 of, at public vendue, upon not less than twenty days' notice,
10 lands assigned or set off to the United States in payment
11 of such debts, or vested in them by mortgage or other
12 security, for the payment of such debts; and in cases where
13 real estate has already become the property of the United
14 States by conveyance or otherwise, in payment of or as
15 security for a debt arising under the laws relating to internal
16 revenue, and such debt shall have been paid, together with the
17 interest thereon, at the rate of one per centum per month,
18 to the United States, within two years from the date
19 of the acquisition of such real estate, it shall be law-
20 ful for the Commissioner of Internal Revenue, with the
21 approval of the Secretary of the Treasury, to release by deed,
22 or otherwise convey, such real estate to the debtor from

23 whom it was taken, or to his heirs or other legal repre-
24 sentatives.

1 SEC. 5. *And be it further enacted,* That if the manu-
2 facturer of any article upon which a tax is required to be
3 paid by means of a stamp shall have sold or removed for
4 sale any such articles without the use of the proper stamp,
5 in addition to the penalties now imposed by law for such
6 sale or removal, it shall be the duty of the proper assessor or
7 assistant assessor, within a period of not more than two
8 years after such removal or sale, upon such information
9 as he can obtain, to estimate the amount of the tax which
10 has been omitted to be paid, and to make an assessment
11 therefor, and certify the same to the collector; and the subse-
12 quent proceedings for collection shall be in all respects like
13 those for the collection of taxes upon manufactures and pro-
14 ductions.

1 SEC. 6. *And be it further enacted,* That it shall be law-
2 ful for the Commissioner of Internal Revenue, whenever he
3 shall deem it expedient, to designate one or more of the
4 assistant assessors in any collection district to make assess-
5 ments in any part of such collection district for all such taxes
6 as may be due upon any specified objects of taxation, and in
7 such case it shall be the duty of the other assistant assessors
8 of such collection district to report to the assistant assessor
9 thus specially designated all matters which may come to their

knowledge relative to any assessments to be made by him. *Provided,* That whenever two or more districts or parts of districts are embraced within one county it may be lawful for such assistant assessor or assessors to make assessment anywhere within such county upon such specified objects of taxation as he may be by said commissioner required: *Provided further,* That such assessment shall be returned to the assessor of the district in which such taxes are payable.

SEC. 7. *And be it further enacted,* That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is hereby authorized to pay such sums, not exceeding in the aggregate the amount appropriated therefor, as may in their judgment be deemed necessary for detecting and bringing to trial and punishment persons guilty of violating the internal revenue laws, or conniving at the same in cases where such expenses are not otherwise provided for by law. And for this purpose there is hereby appropriated one hundred thousand dollars, or so much thereof as may be necessary, out of any money in the treasury not otherwise appropriated.

SEC. 8. *And be it further enacted,* That hereafter for any failure to pay any internal revenue tax at the time and in the manner required by law, where such failure creates a liability to pay a penalty of ten per centum additional upon the amount of tax so due and unpaid, the person or persons

so failing or neglecting to pay said tax, instead of ten per centum as aforesaid, shall pay a penalty of five per centum, together with interest at the rate of one per centum per month upon said tax from the time the same became due, but no interest for any fraction of a month shall be demanded.

SEC. 9. *And be it further enacted,* That the act entitled "An act to provide internal revenue to support the government, to pay interest on the public debt, and for other purposes," approved June thirty, eighteen hundred and sixty-four, as amended by the act approved July thirteen, eighteen hundred and sixty-six, be, and the same is hereby, amended as follows, viz:

That section twenty-two be amended by striking out, after the words, "assistant assessor," and before the word "actually," the words "four dollars for every day," and inserting in lieu thereof the words "five dollars for every day;" and, further, by striking out the following words: "And assistant assessors may be allowed, in the settlement of their accounts, such sum as the Commissioner of Internal Revenue shall approve, not exceeding three hundred dollars per annum, for office rent; but no account for such office rent shall be allowed or paid until it shall have been verified in such manner as the Commissioner of Internal Revenue may require, and shall have been audited and approved by the proper officers of the Treasury Department; and assistant assessors,

21 when employed outside of the town in which they reside, in
22 addition to the compensation which they are now allowed by
23 law, shall, during such time so employed, receive one dollar
24 per day." This amendment shall take effect upon compensa-
25 tion for the month of March, eighteen hundred and sixty-
26 seven, and thereafter.

27 That section twenty-four be amended by inserting in the
28 proviso to said section, after the word "spirits," wherever it
29 occurs, the words "or petroleum."

30 That section seventy-three be amended by striking out
31 all after the enacting clause, and inserting in lieu thereof the
32 following: That any person who shall exercise or carry on
33 any trade, business, or profession, or do any act hereinafter
34 mentioned, for the exercising, carrying on, or doing of which
35 a special tax is imposed by law, without payment thereof, as
36 in that behalf required, shall, for every such offence, be-
37 sides being liable to the payment of the tax, be subject to a
38 fine of not less than ten nor more than five hundred dollars.
39 And if such person shall be a manufacturer of tobacco, snuff,
40 or cigars, or a wholesale or retail dealer in liquor, he shall
41 be further liable to imprisonment for a term not less than
42 sixty days and not exceeding two years.

43 That if any collector, assistant collector, assessor, assistant
44 assessor, inspector, district attorney, marshal, or other officer,
45 agent, or person charged with the execution or supervision of

46 the execution of any of the provisions of this act, or of the act
47 to which this is amendatory, shall demand, or accept, or attempt
48 to collect, directly or indirectly, as payment or gift or other-
49 wise, any sum of money or other property of value for the
50 compromise, adjustment, or settlement of any charge or com-
51 plaint for any violation or alleged violation of any of the
52 provisions of this act, except as expressly authorized by law
53 so to do, he shall be held to be guilty of a misdemeanor, and
54 shall for every such offence be liable to indictment and tria
55 in any court of the United States having competent jurisdic-
56 tion, and on conviction thereof shall be fined in double the
57 sum or value of the money or property received or demanded
58 and be imprisoned in a penitentiary for a period of not less
59 than one year nor more than ten years.

60 That section seventy-nine be amended as follows: In
61 paragraph four, by striking out the following words: "In
62 quantities of more than three gallons at one and the same
63 time to the same purchaser, or." In paragraph five, by strik-
64 ing out the following words: "In quantities of three gallons or
65 less." In paragraph thirty-one, by adding thereto the following:
66 "*Provided,* That no special tax shall be required of any per-
67 son for the manufacture of butter and cheese." In paragraph
68 thirty-two, by inserting after the word "garden" and before
69 the word "who," the words "or travelling on foot and ped-
70 dling fruits, vegetables, pies, cakes, and confectionery."

That section ninety be amended by inserting after the word "cigars," and before the first proviso in said section, the words "and all proceedings relating to forfeiture and sale of distilled spirits shall apply to tobacco, snuff, and cigars." Also in the second proviso, after the words "that manufactured tobacco," insert "or," and after the word "snuff," immediately following, strike out the words "or cigars, whether of domestic manufacture or imported." Also in the latter part of said proviso, after the word "tobacco," wherever it occurs, insert the word "or," and strike out the words "or cigars," wherever they occur.

That section ninety-four be amended as follows:

By striking out the paragraph commencing "On oil, naphtha, benzine, benzole," down to the words "ten cents per gallon," inclusive;

Also, the paragraphs relating to "sugar and sugar refiners," and insert in lieu thereof the words:

"On all sugars produced from the sugar cane, and not from sorghum or imphee, other than those produced by the refiner, a tax of one cent per pound;

"On refined sugars, and on the products of sugar refineries, not including sirup or molasses, a tax of two per centum ad valorem: *Provided,* That every person shall be regarded as a sugar refiner, and pay the taxes required by law, whose business it is to advance the quality and value of

96 sugar upon which a tax or duty has been paid, by melting
97 and recrystallization, or by liquoring, claying, or other wash-
98 ing process, or by any other chemical or mechanical means,
99 or who shall by boiling or other process advance the quality
100 or value of molasses, concentrated molasses, or melado, upon
101 which a tax or duty has been paid;"

102 Also, in the paragraph relating to wood screws, by
103 striking out the word "ten" and inserting "five;"

104 Also by striking out the paragraph relating to "gun-
105 powder," and inserting in lieu thereof the following:

106 "On gunpowder, canister powder, five cents per pound;
107 sporting powder in kegs, one cent per pound; blasting pow-
108 der, inkegs or casks, one-half cent per pound;"

109 Also, in the paragraph relating to "copper and brass
110 tubes," by striking out the words "five per centum ad va-
111 lorem," and inserting in lieu thereof the words, "one-fourth
112 of one cent per pound;"

113 Also, by striking out all from the words "cigarettes or
114 small cigars," in the first paragraph relating to cigars, down
115 to and including the words "twenty per centum ad valorem
116 on the market value thereof," in the last paragraph relating
117 to cigars, and inserting in lieu thereof the following:

118 "On cigarettes, cigars, and cheroots of all descriptions,
119 made of tobacco or any substitute therefor, five dollars per
120 thousand."

121 That section ninety-four be further amended so that in
122 lieu of the taxes now provided by law upon the goods,
123 wares, and merchandise hereinafter mentioned, which shall
124 be produced and sold, or be manufactured or made and sold,
125 or be consumed or used by the manufacturer or producer
126 thereof, or removed for consumption or use, or for delivery
127 to others than agents of the manufacturer or producer
128 within the United States or Territories thereof, there shall
129 be assessed, collected, and paid the following taxes, to be
130 paid by the producer or manufacturer thereof, that is to say:
131 On boots and shoes, made wholly or in part of India-
132 rubber, two per centum ad valorem;
133 On hats, caps, bonnets, and hoods of all descriptions,
134 two per centum ad valorem;
135 On hoop-skirts, two per centum ad valorem;
136 On manufactures of wool, or of which wool is the chief
137 component material or the component material of chief value,
138 two and a half per centum ad valorem.
139 On saddles, bridles, and harness, two per centum ad
140 valorem.
141 That section ninety-six be amended by inserting after
142 the words "and also all goods, wares, and merchandise, and
143 articles," and before the words, "made or manufactured from
144 materials," the words, "not specially named and taxed, and
145 which are."

That section one hundred and three be amended by striking out the words "ferry," where they occur twice in the second proviso, and by striking out the words "until the thirtieth day of April, eighteen hundred and sixty-seven."

That schedule B, in relation to stamp duties, named in section one hundred and fifty-one, be amended by striking out of said schedule the words "legal documents," and all thereafter, and inserting in lieu thereof the following: "*Provided*, That the stamp duties imposed by the foregoing schedule (B) on manifests, bills of lading, and passage tickets, shall not apply to steamboats or vessels plying between ports of the United States and ports of British North America: *And provided further*, That all affidavits and receipts for the payment of money shall be exempt from stamp duty."

Also by inserting at the end of the last paragraph relating to "probate of will," the following words: "*Provided*, That no stamp either for probate of wills, on letters testamentary, or of administration, or on administrator or guardian bond, shall be required when the value of the estate and effects, real and personal, does not exceed one thousand dollars: *Provided further*, That no stamp tax shall be required upon any papers necessary to be used for the collection from the government of claims by soldiers or their legal representatives

170 of the United States, for pensions, back pay, bounty, or for
171 property lost in the service."

1 SEC. 10. *And be it further enacted,* That the act amenda-
2 tory to the act entitled "An act to provide internal revenue
3 to support the government, to pay interest on the public debt,
4 and for other purposes," approved June thirty, eighteen hun-
5 dred and sixty-four, approved July thirteen, eighteen hun-
6 dred and sixty-six, be amended as follows, viz:

7 That section ten be amended by adding after the word
8 "pupils," in the sixth paragraph of said section, the words
9 "but not including distilled spirits, tobacco, snuff, and cigars."

10 Also, by striking out in the paragraph relating to monu-
11 ments, after the word "monuments," where it first occurs,
12 the words "of stone."

13 That section eighteen be amended by adding thereto the
14 following: "*Provided,* That the exemption herein shall not
15 apply to tobacco, snuff, and cigars manufactured, or spirits
16 distilled, or petroleum refined, either in or for such schools
17 and colleges."

1 SEC. 11. *And be it further enacted,* That on and after
2 March first, eighteen hundred and sixty-seven, in addition to
3 the articles now exempt by law, the articles and products
4 hereinafter enumerated shall be exempt from internal tax,
5 namely:

6 Alcoholic and etherial vegetable extracts, when solid and
7 used solely for medicinal purposes;
8 Bale rope, seines and netting for seines, twine, and lines
9 of all kinds;
10 Brush blocks;
11 Canned and preserved meats, not including shell fish;
12 Carbolic acid and carbolate of lime, used solely for dis
13 infectants;
14 Carpet bag and caba frames;
15 Canned and preserved vegetables and fruits;
16 Casks, churns, barrels, wooden brushes and broom
17 handles, tanks, and kitts made of wood, including cooperage
18 of all kinds, bungs and plugs, packing boxes, nest boxes, and
19 match boxes, whether made of wood or other materials;
20 wooden hames, plough beams, split-bottom chairs, and
21 turned materials for the same unmanufactured, and saddle
22 trees made of wood, and on match boxes heretofore made
23 on which a tax has not been paid;
24 Castings of iron, copper, or brass made for machinery,
25 cars or scales, and castings made to form a part of any
26 article upon which, in a finished state, a tax is assessed and
27 paid;
28 Cast-iron hollow ware, and cast-iron hollow ware tinned,
29 enamelled, japanned, or galvanized;
30 Clock trimmings, namely: Clock work, clock pillars,

31 sash fastenings for clocks, winding keys, verges and pendulum
32 rods;
33 Clothing or articles of dress not specially enumerated
34 made by sewing for the wear of men, women, or children
35 from cloths or fabrics on which a tax or duty has been paid;
36 Coffee mills, coffee grinders and roasters, and apple-
37 paring machines, grinders of coffee with hand mills only, by
38 retail dealers for their own use, and for retailing where the
39 amount so ground does not exceed the value of five hundred
40 dollars in any one year;
41 Copper bottoms for articles used for domestic and
42 culinary purposes;
43 Doors, window sash, blinds, frames, and sills of what-
44 ever material;
45 Drain, gas, and water-pipe made of wood, iron, cement,
46 sheet lead, lead pipe and shot;
47 Frames and handles for saws and buck-saws;
48 Glue and gelatine, of all descriptions, in the solid state;
49 Glue and cement made wholly or in part of glue in the
60 liquid state;
51 Horse-rakes, horse powers, tedders, hames, scythe
52 snaths, hay forks, hoes, and portable grinding mills;
53 Horse-blankets, made from cloth, on which a tax or
54 duty has been paid;
55 Leather of all descriptions, and goat, deer, calf, kid, sheep,

56 horse, hog, and dog skins, tanned or partially tanned, curried,
57 finished or in the rough;
58 Licorice and licorice paste;
59 Magnesium lamps;
60 Manufactures of jute;
61 Molasses, concentrated molasses or melado, sirup of mo-
62 lasses or sugar cane juice, and cistern bottoms;
63 Oil naphtha, benzine, benzole, or gasoline, marking more
64 than fifty-nine degrees Baume's hydrometer, the product of
65 the distillation, or re-distillation, or refining of crude petroleum,
66 or of crude oil produced by a single distillation of coal, shale,
67 peat, asphaltum, or other bituminous substances; but if any
68 person shall mix for sale naphtha and illuminating oils, or
69 shall knowingly sell or keep for sale or offer for sale such
70 mixture, or shall sell or offer for sale oil made from petroleum
71 for illuminating purposes, inflammable at less temperature or
72 fire test than one hundred and ten degrees Fahrenheit, such
73 person shall be held to be guilty of a misdemeanor, and on
74 conviction thereof by indictment or presentment in any court
75 of the United States, having competent jurisdiction, shall be
76 punished by a fine of not less than one hundred dollars nor
77 more than five hundred dollars, and by imprisonment for a
78 term of not less than six months nor more than three years;
79 Palm-leaf and straw, bleached, split, prepared, or ad-

80 vanced by being braided or woven, but not made up into hats,
81 bonnets, or hoods;
82 Potato hooks, pitchforks, manure and spading forks:
83 Pottery-ware of all descriptions, including stone, earthen,
84 brown and yellow-earthen, and common or gray-stone
85 ware;
86 Pumps, garden engines, and hydraulic rams;
87 Rock and root-diggers or excavators;
88 Root-beer and other small beer;
89 Salt;
90 School-room seats and desks, blackboards, and globes of
91 all kinds;
92 Sleds, wheelbarrows, and hand-carts, and fence made of
93 wood;
94 Soap, common brown, in bars, costing less than seven
95 cents per pound;
96 Saws for cotton gins, when used by the maker in the
97 manufacture of gins;
98 Soles and heel-taps made of India-rubber or of India-
99 rubber and other materials;
100 Shirt fronts or bosoms, wristbands or cuffs for shirts,
101 except those made of paper;
102 Spiral springs used in the manufacture of furniture;
103 Stove polish or other manufacture exclusively of plum-
104 bago, buck saws, stump machines, potato diggers;

105 Steel of all descriptions, whether made from buck-bar,
106 blooms, slabs, loops. or otherwise;
107 Steam locomotives and marine engines, including boilers,
108 and log, siding, and shingle machines;
109 Straw or binder's board and binder's cloth, and straw
110 wrapping paper;
111 Tags for merchandise and direction of cloth, paper or
112 metal, whether blank or printed; thimble skeins and pipe
113 boxes, made of iron;
114 Tinware for domestic and culinary purposes;
115 Ultra-marine blue;
116 Varnish;
117 Wagons, carts, and drays made to be used for farming,
118 freighting, or lumber purposes;
119 Fabrics, when the products of hand looms, when not
120 used in penitentiaries or other penal establishments;
121 Washing, mangling, and clothes-wringing machines,
122 zinc washboards, spinning and flax-wheels, hand-reels, hand
123 looms, wooden knobs, beehives, dyeing, redyeing, or reprint-
124 ing of cloth and other articles, except in the process of their
125 manufacture.
1 SEC. 12. *And be it further enacted,* That the act
2 entitled "An act to provide internal revenue to support the
3 government, to pay interest on the public debt, and for other
4 purposes," approved June thirty, eighteen hundred and sixty-

5 four, and as subsequently amended, be further amended as
6 follows, namely:

7 INCOME.

8 That section one hundred and sixteen be amended by
9 striking out all after the enacting clause and inserting, in
10 lieu thereof, as follows: That there shall be levied, col-
11 lected, and paid annually upon the gains, profits, and
12 income of every person residing in the United States, or of
13 any citizen of the United States residing abroad, whether
14 derived from any kind of property, rents, interest, dividends,
15 or salaries, or from any profession, trade employment, or
16 vocation, carried on in the United States or elsewhere, or
17 from any other source whatever, a tax of five per cen-
18 tum on the amount so derived over one thousand dollars,
19 and a like tax shall be levied, collected, and paid an-
20 nually upon the gains, profits, and income of every busi-
21 ness, trade, or profession carried on in the United States
22 by persons residing without the United States, and not citi-
23 zens thereof. And the tax herein provided for shall be as-
24 sessed, collected, and paid upon the gains, profits, and income
25 for the year ending the thirty-first day of December next pre-
26 ceding the time for levying, collecting, and paying said tax.

27 That section one hundred and seventeen be amended
28 by striking out all after the enacting clause and inserting,
29 in lieu thereof, the following: That, in estimating the gains,

30 profits, and income of any person, there shall be included all
31 income derived from interest upon notes, bonds, and other
32 securities of the United States; profits realized within the
33 year from sales of real estate purchased within the year or
34 within two years previous to the year for which income is
35 estimated; interest received or accrued upon all notes,
36 bonds, and mortgages, or other forms of indebtedness
37 bearing interest, whether paid or not, if good and collect-
38 able, less the interest which has become due from said
39 person during the year; the amount of all premium on
40 gold and coupons; the amount of sales of live stock, sugar,
41 wool, butter, cheese, pork, beef, mutton, or other meats,
42 hay and grain, or other vegetable or other productions,
43 being the growth or produce of the estate of such person,
44 not including any part thereof consumed directly by the
45 family; all other gains, profits, and income derived from
46 any source whatever; and the share of any person of the
47 gains and profits of all companies, whether incorporated or
48 partnership, who would be entitled to the same, if divided,
49 whether divided or otherwise, except the amount of income
50 received from institutions or corporations whose officers, as
51 required by law, withhold a per centum of the dividends made
52 by such institutions, and pay the same to the officer authorized
53 to receive the same; and except that portion of the salary or
54 pay received for services in the civil, military, naval, or other

55 service of the United States, including senators, representatives,
56 and delegates in Congress, from which the tax has been de-
57 ducted. And in addition to one thousand dollars exempt from
58 income tax, as hereinbefore provided, all national, State,
59 county, and municipal taxes paid within the year shall be de-
60 ducted from the gains, profits, or income of the person who
61 has actually paid the same, whether such person be owner,
62 tenant, or mortgagor; losses actually sustained during the
63 year arising from fires, shipwreck, or incurred in trade, and
64 debts ascertained to be worthless, but excluding all estimated
65 depreciation of values and losses within the year on sales of
66 real estate purchased two years previous to the year for
67 which income is estimated; the amount actually paid for labor
68 or interest by any person who rents lands or hires labor to
69 cultivate land, or who conducts any other business from which
70 income is actually derived; the amount actually paid by any
71 person for the rent of the house or premises occupied as a resi-
72 dence for himself or his family; the amount paid out for usual
73 or ordinary repairs: *Provided,* That no deduction shall be
74 made for any amount paid out for new buildings, perma-
75 nent improvements, or betterments, made to increase the
76 value of any property or estate: *And provided, further,*
77 That only one deduction of one thousand dollars shall be
78 made from the aggregate income of all the members of any
79 family, composed of one or both parents and one or more

80 minor children, or husband and wife; that guardians shall
81 be allowed to make such deduction in favor of each and
82 every ward, except that in case where two or more wards are
83 comprised in one family, and have joint property interest, only
84 one deduction shall be made in their favor: *And provided*
85 *further*, That in cases where the salary or other compensa-
86 tion paid to any person in the employment or service of
87 the United States shall not exceed the rate of one thou-
88 sand dollars per annum, or shall be by fees, or uncertain
89 or irregular in the amount or in the time during which
90 the same shall have accrued or been earned, such salary or
91 other compensation shall be included in estimating the
92 annual gains, profits, or income of the person to whom the
93 same shall have been paid, in such manner as the Commis-
94 sioner of Internal Revenue, under the direction of the Sec-
95 retary of the Treasury, may prescribe.

96 That section one hundred and eighteen be amended
97 by striking out all after the enacting clause and inserting,
98 in lieu thereof, the following: That it shall be the duty of
99 all persons of lawful age to make and render a list or return,
100 in such form and manner as may be prescribed by the Com-
101 missioner of Internal Revenue, to the assistant assessor of
102 the district in which they reside, of the amount of their
103 income, gains, and profits, as aforesaid; and all guardians
104 and trustees, or any person acting in any other fiduciary

105 capacity, shall make and render a list or return, as afore-
106 said, to the assistant assessor of the district in which such
107 guardian or trustee resides, of the amount of income, gains,
108 and profits of any minor or person for whom they act as
109 guardian or trustee; and the assistant assessor shall require
110 every list or return to be verified by the oath or affirmation
111 of the party rendering it, and may increase the amount of
112 any list or return, if he has reason to believe that the same
113 is understated; and in case any person, guardian, or trustee
114 shall neglect or refuse to make and render such list or
115 return, or shall render a false or fraudulent list or return, it
116 shall be the duty of the assessor or the assistant assessor to
117 make such list, according to the best information he can
118 obtain, by the examination of such person, or his books
119 or accounts, or any other evidence, and to add fifty
120 per centum as a penalty to the amount of the tax due
121 on such list in all cases of wilful neglect or refusal to make
122 and render a list or return, and, in all cases of a false
123 or fraudulent list or return having been rendered, to add
124 one hundred per centum, as a penalty, to the amount of
125 tax ascertained to be due, the tax and the additions thereto
126 as penalty to be assessed and collected in the manner pro-
127 vided for in other cases of wilful neglect or refusal to render
128 a list or return, or of rendering a false and fraudulent return:
129 *Provided,* That any party, in his or her own behalf, or as

130 guardian or trustee, shall be permitted to declare, under
131 oath or affirmation, the form and manner of which shall be
132 prescribed by the Commissioner of Internal Revenue, that
133 he or she, or his or her ward or beneficiary, was not pos-
134 sessed of an income of one thousand dollars, liable to be
135 assessed according to the provisions of this act; or may
136 declare that he or she has been assessed and paid an income
137 tax elsewhere in the same year, under authority of the
138 United States, upon his or her income, gains, and profits, as
139 prescribed by law; and if the assistant assessor shall be
140 satisfied of the truth of the declaration, shall thereupon be
141 exempt from income tax in the said district; or if the list or
142 return of any party shall have been increased by the as-
143 sistant assessor, such party may exhibit his books and
144 accounts, and be permitted to prove and declare, under
145 oath or affirmation, the amount of income liable to be
146 assessed; but such oaths and evidence shall not be con-
147 sidered as conclusive of the facts, and no deductions claimed
148 in such cases shall be made or allowed until approved by
149 the assistant assessor. Any person feeling aggrieved by
150 the decision of the assistant assessor in such cases may
151 appeal to the assessor of the district, and his decision
152 thereon, unless reversed by the Commissioner of Internal
153 Revenue, shall be final, and the form, time, and manner of
154 proceedings shall be subject to rules and regulations to be

155 prescribed by the Commissioner of Internal Revenue: *Pro-*
156 *vided further*, That no penalty shall be assessed upon any
157 person for such neglect or refusal, or for making or rendering
158 a false or fraudulent return, except after reasonable notice
159 of the time and place of hearing, to be regulated by the
160 Commissioner of Internal Revenue, so as to give the person
161 charged an opportunity to be heard.

162 That section one hundred and nineteen be amended by
163 striking out all after the enacting clause and inserting, in
164 lieu thereof, the following: That the taxes on incomes
165 herein imposed shall be levied on the first day of March, and
166 be due and payable on or before the thirtieth day of April,
167 in each year, until and including the year eighteen hundred
168 and seventy, and no longer; and to any sum or sums an-
169 nually due and unpaid after the thirtieth of April, as afore-
170 said, and for ten days after notice and demand thereof by
171 the collector, there shall be levied in addition thereto the
172 sum of five per centum on the amount of taxes unpaid, and
173 interest at the rate of one per centum per month upon said
174 tax from the time the same became due, as a penalty, except
175 from the estates of deceased or insolvent persons.

176 That section one hundred and twenty-three be amended
177 by striking out all after the enacting clause and inserting,
178 in lieu thereof, the following: That there shall be levied,
179 collected, and paid on all salaries of officers, or payments

180 for services to persons in the civil, military, naval, or other
181 employment or service of the United States, including sen-
182 ators and representatives and delegates in Congress, when
183 exceeding the rate of one thousand dollars per annum, a
184 tax of five per centum on the excess above the said one
185 thousand dollars; and it shall be the duty of all paymasters
186 and all disbursing officers, under the government of the
187 United States, or persons in the employ thereof, when
188 making any payment to any officers or persons as afore-
189 said, whose compensation is determined by a fixed salary,
190 or upon settling and adjusting the accounts of such offi-
191 cers or persons, to deduct and withhold the afore-
192 said tax of five per centum; and the pay-roll, receipts,
193 or account of officers or persons paying such tax as afore-
194 said, shall be made to exhibit the fact of such payment.
195 And it shall be the duty of the several Auditors of the
196 Treasury Department, when auditing the accounts of any
197 paymaster or disbursing officer, or any officer withholding
198 his salary from moneys received by him, or when settling
199 or adjusting the accounts of any such officer, to require
200 evidence that the taxes mentioned in this section have been
201 deducted and paid over to the Treasurer of the United
202 States, or other officer authorized to receive the same:
203 *Provided*, That payments of prize money shall be regarded
204 as income from salaries, and the tax thereon shall be ad-

205 justed and collected in like manner: *Provided further*, That
206 this section shall not apply to payments made to mechanics
207 or laborers employed upon public works.

1 SEC. 13. *And be it further enacted*, That there shall
2 be levied, collected, and paid on all distilled spirits, upon which
3 no tax has been paid according to law, a tax of two dollars
4 on each and every proof gallon, to be paid by the distiller,
5 owner, or any person having possession thereof, and every
6 proprietor and possessor of a still, distillery, or distilling ap-
7 paratus shall be jointly and severally liable for the taxes im-
8 posed by law upon the spirits distilled therein; and the tax
9 shall be a lien on the spirits distilled, on the distillery used for
10 distilling the same, with the stills, vessels, fixtures, and tools
11 therein, and on the lot or tract of land whereon the said dis-
12 tillery is situated, together with any building thereon, from
13 the time said spirits are distilled until the said tax shall be
14 paid: *Provided*, That the tax upon any spirits distilled and
15 removed from the place where the same were distilled, and
16 not deposited in bonded warehouse as required by law, shall,
17 at any time, upon knowledge of such fact obtained by the
18 assessor or assistant assessor of the district where such spirits
19 were distilled, be assessed by him upon the distiller of the
20 same, and certified or returned to the collector, who shall
21 immediately demand payment of such tax, and upon the
22 neglect or refusal of payment by the distiller, shall proceed

23 to collect the same by distraint. But this provision shall not
24 exclude any other remedy or proceeding provided by law:
25 *Provided, further*, That the tax on all spirits shall be collected
26 at no lower rate than the basis of first proof, and shall be in-
27 creased in proportion for any greater strength than the
28 strength of first proof.

1 SEC. 14. *And be it further enacted*, That proof spirit
2 shall be held and taken to be that alcoholic liquor which con-
3 tains one-half its volume of alcohol of a specific gravity of
4 seven thousand nine hundred and thirty-nine (.7939) ten
5 thousandths at sixty degrees Fahrenheit; and the Secretary
6 of the Treasury is hereby authorized to adopt, procure, and
7 prescribe for use such hydrometers, weighing and gauging
8 instruments, meters, or other means for ascertaining the
9 strength and quantity of spirits subject to tax, or for the pre-
10 vention or detection of frauds by distillers of spirits, and to
11 prescribe such rules and regulations as he may deem neces-
12 sary to insure a uniform and correct system of inspection,
13 weighing, and gauging of spirits subject to tax throughout
14 the United States. And whenever the Secretary of the
15 Treasury shall adopt and prescribe for use any meter or
16 meters it shall be the duty of every owner, agent, or superin-
17 tendent of a distillery, to make application to the collector of
18 his district for such meter or meters, to be used in his distil-
19 lery, and the same shall be furnished and attached to the

20 distillery at the expense of the distiller, whose duty it shall
21 be to furnish all the pipes, materials, labor, and facilities
22 necessary to complete such attachment in accordance with
23 the regulations of the Commissioner of Internal Revenue,
24 under the direction of the Secretary of the Treasury, who is
25 hereby further authorized to order and require such changes
26 of or additions to distilling apparatus, connecting pipes,
27 pumps or cisterns, or any machinery connected with or used
28 in or on the distillery premises, or may require to be put on
29 any of the stills, tubs, cisterns, pipes, or other vessels such
30 fastenings, locks or seals as he may deem necessary. And
31 in all sales of spirits hereafter made, where not otherwise
32 specially agreed, a gallon shall be taken to be a gallon of
33 first proof, according to the foregoing standard set forth
34 and declared for the inspection and gauging of spirits through-
35 out the United States.

1 SEC. 15. *And be it further enacted,* That every person,
2 firm, or corporation who distils or manufactures spirits or
3 alcohol, who brews or makes mash, wort, or wash, for
4 distillation or the production of spirits, shall be deemed a
5 distiller. And the making or keeping by any person
6 of grain, mash, wash, wort, or beer, prepared or fit for
7 distillation, together with the possession by such person of a
8 still or other apparatus capable of use for distilling, upon the

9 same premises, shall be deemed and taken as presumptive
10 evidence that such person is a distiller.

1 SEC. 16. *And be it further enacted,* That every person,
2 firm, or corporation who rectifies, purifies, or refines distilled
3 spirits or wines by any process, or who, by mixing distilled
4 spirits or wine with other materials, manufactures any spu-
5 rious, imitation, or compound liquors for sale, under the name
6 of whiskey, brandy, gin, rum, wine, "spirits," or "wine
7 bitters," or any other name, shall be regarded as a rectifier
8 under this act.

1 SEC. 17. *And be it further enacted,* That if any per-
2 son shall carry on the business of a distiller or rectifier without
3 having paid the special tax, as required by law, he shall, for
4 every such offence, be liable to a fine of not less than double
5 the tax imposed upon the spirits distilled, or double the
6 special tax due for the spirits rectified by such person or found
7 upon the premises hereinafter mentioned, and to imprison-
8 ment for a term not less than one nor more than two years;
9 and all spirituous liquors so distilled or rectified, or owned by
10 such person, or found as hereinafter mentioned, and all mate-
11 rials for making or preparing the same, and all vessels con-
12 taining the same, and all stills or other apparatus capable of
13 being used for distilling, owned by such person, or found
14 upon any premises where such business shall be carried on in
15 violation of this section, shall be forfeited to the United States,

16 and may be seized by the collector or deputy collector of the
17 district within which such offence is committed.

1 SEC. 18. *And be it further enacted,* That every person
2 engaged in, or intending to be engaged in, the business of a
3 distiller, shall give notice in writing, subscribed by him,
4 to the assessor of the district within which such business is
5 to be carried on, stating the name or style under which, the
6 name or names, and the place or places of residence of the
7 person or persons by whom, and the place where said busi-
8 ness is to be carried on, and the notice shall also state the kind
9 of stills, boilers, and other implements to be used, and the
10 capacity thereof, meaning thereby the total number of
11 wine gallons of spirits which the entire distillery is capable
12 of producing in each day of twenty-four hours. In
13 case of any change in the location, form, capacity,
14 ownership, agency, or superintendence of such distillery,
15 stills, boilers, or other implements, like notice shall be
16 given, as aforesaid, within twenty-four hours of such
17 change. Such person shall also give bond, in form to be
18 prescribed by the Commissioner of Internal Revenue, with
19 sureties approved by the collector of the district, who may
20 approve the same if he shall be satisfied, by affidavits
21 made on said bond, of the sufficiency of said sureties,
22 conditioned that he will comply with all the requirements of
23 the law in relation to distilled spirits. The penal sum of such

24 bond shall not be more than double the amount of the tax on
25 the spirits that can be distilled by such still or stills or other
26 implements during a period of fifteen days. Said collector
27 shall refuse to approve said bond when, in his judgment, the
28 incumbrances upon the distillery and premises are such as to
29 impair the security for the collection of the tax, or when the
30 location of the distillery would enable the distiller to defraud
31 the revenue; and in case of such refusal, the distiller may
32 appeal to the Commissioner of Internal Revenue, whose de-
33 cision in the matter shall be final. A new bond may be re-
34 quired in case of the death, insolvency, or removal of either
35 of the sureties, or in any other contingency, at the discretion
36 of the collector. Any person failing or refusing to give the
37 notice or bond hereinbefore required, or giving a false or
38 fraudulent notice, shall be liable to the fine and forfeitures
39 provided in the last preceding section.

1 SEC. 19. *And be it further enacted,* That no person
2 shall use any still or other vessel, for the purpose of distilling
3 spirits, in any building, or on any premises, lot, farm, or tract
4 of land adjoining and owned by said person, where beer,
5 lager beer, ale, porter, or other fermented liquors, vinegar, or
6 either, is manufactured or produced, or where sugars or
7 sirups are refined, or where liquors of any description are
8 retailed, or any other business is carried on, or in any dwell-
9 ing-house; and every person who shall use such still, boiler,

10 or other vessel, for the purpose of distilling, as aforesaid, in
11 any building or other premises where the above specified
12 articles are manufactured, produced, or other business is car-
13 ried on, or in any dwelling-house, or who shall procure the
14 same to be done, shall forfeit such stills, boilers, or other
15 vessels so used, and all the spirits distilled, and pay a fine of
16 one thousand dollars, and be imprisoned for not less than six
17 months nor more than one year, in the discretion of the
18 court; and any person who shall manufacture any still, boiler,
19 or other vessel, to be used for the purpose of distilling, shall,
20 before the same is removed from the place of manufacture,
21 notify the collector where such still, boiler, or other vessel is
22 to be used or sent, and by whom it is to be used, and of its
23 capacity, and the time when the same is to be sent or set up;
24 and no such still, boiler, or other vessel shall be set up with-
25 out the permit in writing of the collector for that purpose;
26 and any person who shall set up such still, boiler, or other
27 vessel, without first obtaining a permit from the collector of
28 the district in which such still, boiler, or other vessel is in-
29 tended to be used, or who shall fail to give such notice, shall
30 pay in either case the sum of five hundred dollars, and shall
31 forfeit the distilling apparatus thus removed or set up in vio-
32 lation of law: *Provided,* That saleratus may be made or
33 manufactured in any building or on any premises where
34 spirits are distilled: *Provided further,* That any boiler used

35 in generating steam or heating water to be used in such dis-
36 tillery may be located in any other building or on any other
37 premises, to be connected with such still or boiling tubs by
38 suitable pipes or other apparatus, or the steam from such
39 boiler in the distillery may be conveyed to other premises to
40 be used for manufacturing or other purposes.

1 SEC. 20. *And be it further enacted,* That every person
2 making or distilling spirits, or owning any still, boiler or other
3 vessel used for the purpose of distilling spirits, or having such
4 still, boiler, or other vessel so used under his superintendence,
5 either as agent or owner, or using any such still, boiler,
6 or other vessel, shall, from day to day, make or cause to be
7 made daily, true and exact entry in a book, to be kept in such
8 form as the Commissioner of Internal Revenue may prescribe,
9 of the number of pounds or gallons of materials used for
10 the purpose of producing spirits, the number of proof
11 gallons of spirits distilled, the number of proof gallons
12 placed in warehouse, and the number of gallons sold, with
13 the proof thereof, and the name and place of business or
14 residence of the person to whom sold; and shall also on
15 the first, eleventh, and twenty-first day of each month, or
16 within five days thereafter, render to the assessor or assistant
17 assessor an account in duplicate, taken from his books in the
18 particulars hereinbefore recited, and verified by oath, of all
19 the facts occurring after the last day of account preceding.

20 The entries to be made in the books of the distiller as afore-
21 said shall, upon the several days when the returns are made, as
22 provided, be verified by oath or affirmation of the person or
23 persons by whom such entries shall have been made, in the pre-
24 sence of the assessor or assistant assessor, or other proper
25 officer, who shall append thereto his certificate of the execu-
26 tion of the same. The owner, agent, or superintendent of
27 any distillery shall, in case the original entries required to by
28 made in his books by this act shall not have been made by
29 himself, subjoin to the certificate of the person by whom they
30 were made the following oath or affirmation: "I do swear
31 (or affirm) that to the best of my knowledge and belief the
32 foregoing entries are just and true, that I have taken all the
33 means in my power to make them so, and that no more spirits
34 than are entered therein have been distilled at the distillery dur-
35 ing the time covered by such entries." Said book shall always
36 be open for the inspection of any assessor, assistant assessor,
37 collector, deputy collector, revenue agents, or inspectors, and
38 any premises where distilling shall be carried on shall be open
39 to said officers, or either of them, at all times. Any person
40 who shall violate the provisions of this section shall for every
41 such offence be liable to a fine of five hundred dollars. Any
42 person who shall render an account under the provisions of
43 this section which shall be false or fraudulent shall be liable

44 to a fine of not less than five hundred dollars, and to imprison-
45 ment not less than six months.

1 SEC. 21. *And be it further enacted,* That the owner of
2 any distillery shall provide, at his own expense, a warehouse
3 suitable for the storage of bonded spirits of his own manu-
4 facture only; or he may provide a secure room, in a suitable
5 building, to be used as such warehouse, but no dwelling-house
6 shall be used for such purpose; and no door, window, or other
7 opening shall be made or permitted in the walls thereof, lead-
8 ing to any other room or building used for any other purpose,
9 or into the distillery; and such warehouse or room, when
10 approved by the Secretary of the Treasury, on report of the
11 district collector, is hereby declared to be a bonded warehouse
12 of the United States, and shall be used only for the storing of
13 spirits manufactured by the owner, agent, or superintendent
14 of such distillery, and shall be under the custody of the in-
15 spector, as hereinafter provided; and shall be kept locked up
16 by the officer in charge, at all times, except when he shall be
17 present; and the tax on the spirits stored in such warehouse shall
18 be paid before removal from such warehouse, unless removed
19 in pursuance of law. And the owner of such warehouse
20 shall execute a general bond to the United States, with two
21 or more sureties, to be approved by the collector; and such
22 bond shall be for not less than the amount of taxes on the
23 spirits to be covered thereby, and in such form, and contain-

24 ing such conditions, as shall be approved by the Secretary of
25 the Treasury, and shall be changed or renewed from time to
26 time in regard to the amount and sureties thereof, as the col-
27 lector, with the approval of the Secretary of the Treasury,
28 may require.

1 SEC. 22. *And be it further enacted,* That the owner,
2 agent, or superintendent of any distillery established as here-
3 inbefore provided, shall erect, in a room or building to be
4 provided and used for that purpose, and for no other, two or
5 more receiving cisterns, each to be at least of sufficient capacity
6 to hold the spirits distilled during the day of twenty-four
7 hours, into one of which shall be conveyed each day the spirits
8 manufactured in said distillery during that day; and such
9 cisterns shall be so constructed as to leave an open space of
10 at least three feet between the tops thereof and the floor or
11 roof above, and of not less than eighteen inches between the
12 bottoms thereof and the floor below, and shall be separated in
13 such a manner as will enable the inspector to pass around the
14 same, and shall be connected with the outlet of the stills,
15 boilers, or other vessels used for distilling, by suitable pipes or
16 other apparatus so constructed as always to be exposed to the
17 view of the inspector; such cisterns and the room in which
18 they are contained shall be in charge of and under the lock
19 and seal of the inspector; and on the third day after the
20 spirits are conveyed into such cisterns the same shall be drawn

21 off into casks or other packages, under the supervision of the
22 inspector, and shall be immediately inspected, gauged and
23 proved, and the casks or packages marked as herein provided
24 shall be removed directly to the bonded warehouse before
25 mentioned: *Provided*, That the spirits may be drawn off from
26 said cisterns at any time previous to the third day, if so desired
27 by the owner, agent, or superintendent of such distillery; and
28 all locks and seals required by law shall be provided by the
29 Secretary of the Treasury, at the expense of the owner of
30 the distillery or warehouse, and the keys shall always be in
31 the custody of the inspector or assistant inspector, or the
32 officer having charge of the distillery or warehouse.

1 SEC. 23. *And be it further enacted*, That there shall
2 be appointed by the President of the United States, by
3 and with the consent of the Senate, an inspector for
4 every distillery established according to law, who shall take
5 an oath faithfully to perform his duties; and who shall take
6 an account of all the meal, vegetable productions, molasses,
7 sugar, or other substances received into the distillery, or upon
8 the premises, and the quantity put into the mash tub or
9 otherwise used; and shall inspect, gauge and prove all the
10 spirits distilled, under such rules and regulations as may be
11 prescribed by the Commissioner of Internal Revenue; and
12 shall take charge of the bonded warehouse established for the
13 distillery in conformity to law; and such warehouse shall be

14 in the joint custody of such inspector and the owner thereof,
15 his agent or superintendent; and when any spirits shall be
16 placed in such warehouse, an entry therefor, in such form as
17 shall be prescribed by regulations, shall immediately be made
18 and signed by the owner of said spirits, and shall have
19 indorsed thereon a certificate of the inspector that the spirits
20 mentioned have been duly inspected and received in said
21 warehouse, and such entry and certificate shall be filed with
22 the collector of the district; and said inspector shall not
23 engage in any other business while employed as an in-
24 spector, and shall be paid five dollars per day for the
25 time during which he is engaged; and his compensation
26 shall be paid by the United States. And in case the
27 duties of such inspector shall be greater at any time
28 than he can perform, upon the joint application of the
29 inspector and owner of such distillery, the Secretary of the
30 Treasury may appoint an assistant inspector; and upon the re-
31 fusal of the distiller to join in such application, the collector shall
32 decide as to such necessity; and such assistant inspector shall
33 qualify in the same manner and be subject to the same penal-
34 ties as the inspector, and he shall be paid in the same manner
35 as the inspector, at a rate not exceeding the sum of three
36 dollars per day while so employed; and in case of disagree-
37 ment as to the necessity of retaining the services of such assis-
38 tant, between the owner of the distillery and the inspector,

the collector shall decide as to such necessity, and his decision in the matter shall be final. And in case of absence by sickness, or from any other cause, of such inspector or assistant, the collector may designate a person to take temporary charge of such distillery and warehouse, who shall during such absence perform the duties, receive the same rate of pay, and be paid in the same manner, as said inspector or assistant for the time he may be so employed; and the owner, agent, or superintendent of any distillery who shall use, cause or permit to be used, any materials for the purpose of producing spirits, or shall distil or remove any spirits in the absence of the inspector or assistant, shall forfeit and pay double the amount of taxes on the spirits so produced, distilled, or removed, and, in addition thereto, be liable to a fine of one thousand dollars, to be recovered in the manner provided for other penalties; and any person who shall ship, transport or remove any spirituous or fermented liquors or wines, under any other than the proper name or brand known to the trade as designating the kind and quality of the contents of the casks or packages containing the same, or who shall cause the same to be done, shall forfeit the same, and shall, on conviction thereof, be subject to and pay a fine of five hundred dollars: *Provided further*, That such inspectors may be assigned to duty at other distilleries than those to which they were, respectively, appointed.

1 SEC. 24. *And be it further enacted,* That all distilled
2 spirits shall, before the same are removed from the distillery
3 to the bonded warehouse, be inspected and proved by the in-
4 spector of the distillery, after the same has been drawn into
5 casks or packages, each of not less capacity than twenty gal-
6 lons, wine measure, and said inspector shall mark by cutting,
7 branding, or otherwise, upon the cask or package containing
8 such spirits, in a manner to be prescribed by the Commis-
9 sioner of Internal Revenue, the quantity and proof of the
10 contents of such cask or package, with the date of inspection,
11 the collection district, the name of the inspector and the
12 name of the distiller, and also the number of each cask in
13 progressive order, such progressive number for every distiller
14 to begin with number one with the first cask or package in-
15 spected after this act takes effect, and subsequently with num-
16 ber one with the first cask inspected on or after the first day
17 of January, in each year, and no two or more casks ware-
18 housed in the same year by the same distiller shall be marked
19 with the same number, and no cask or package of spirits shall
20 be taken therefrom on which has not been marked all the
21 several particulars aforesaid, in the manner required by law.
22 And the inspector in charge of any distillery shall make a
23 prompt return of the name of the distiller and of all spirits
24 inspected by him in accordance with the provisions of law, to

25 the collector, and a duplicate thereof to the assessor of the
26 district.

1 SEC. 25. *And be it further enacted,* That general bonded
2 warehouses, for the storage of spirits or other merchandise
3 allowed by law to be placed in bond to secure the payment
4 of the internal revenue tax thereon, or the exportation
5 thereof, may be established under such rules and regulations,
6 and upon the execution of such bonds, as the Secretary of
7 the Treasury may prescribe, and shall be in the immediate
8 custody of storekeepers who shall be appointed for that pur-
9 pose by the Secretary of the Treasury, whose compensation
10 shall be paid monthly to the collector of the district by the
11 owners or proprietors of such warehouse, and shall not
12 exceed the rates which may be allowed to storekeepers of
13 bonded warehouses established under the laws and regula-
14 tions relating to customs: *Provided,* That any article manu-
15 factured in a bonded warehouse established under the one
16 hundred and sixty-eighth section of the internal revenue act
17 of June thirtieth, eighteen hundred and sixty-four, and
18 located in any of the Atlantic States, may be removed
19 therefrom for transportation to a customs bonded warehouse
20 at any port on the Pacific coast of the United States, for the
21 purpose only of being exported therefrom, under such rules
22 and regulations and upon the execution of such bonds or other
23 security as the Secretary of the Treasury may prescribe.

1 SEC. 26. *And be it further enacted,* That there shall be
2 appointed by the Secretary of the Treasury, in every collec-
3 tion district where the same may be necessary, one or more
4 general inspectors of spirits, who shall be required to inspect,
5 gauge, and prove any distilled spirits to be removed from any
6 bonded warehouse before such removal, or received in or
7 delivered from any general bonded warehouse, and make
8 prompt return thereof to the collector under such rules and
9 regulations as may be prescribed, and such general inspector
10 shall be entitled to receive such fee as may be prescribed by
11 the Commissioner of Internal Revenue for each and every
12 proof gallon gauged and proved by him; and any owner,
13 agent, or superintendent of any distillery or bonded ware-
14 house who shall refuse to admit such inspector upon such
15 premises, so far as it may be necessary for the performance
16 of his duties, or who shall obstruct any inspector in the per-
17 formance of his duties, shall forfeit and pay the sum of five
18 hundred dollars, to be recovered in the manner provided for
19 recovery of other penalties imposed by this act.

1 SEC. 27. *And be it further enacted,* That any person who
2 shall evade or attempt to evade the payment of the tax upon
3 any distilled spirits, by changing any marks upon any such
4 cask or package, or in any other manner whatever, or who
5 shall put into such cask or package spirits of greater strength
6 than that inspected and certified to by the inspector, shall

7 pay double the amount of tax on each proof gallon of the
8 quantity of such spirits, to be assessed and collected as in case
9 of other taxes, and forfeit and pay as a penalty the additional
10 sum of five hundred dollars for each cask or package so al-
11 tered or changed, to be recovered as provided by law; and
12 any person who shall defraud or attempt to defraud the United
13 States of the revenue or tax arising from distilled spirits or
14 any part thereof, or who shall, with intent to defraud the
15 United States of such revenue or tax, make any false or frau-
16 dulent entry, certificate, or return, or place any false or frau-
17 dulent mark upon any cask or package, shall, on conviction
18 thereof, pay a fine of not less than one thousand nor more
19 than five thousand dollars, and be imprisoned for not less than
20 two nor more than five years; and any person who shall
21 fraudulently use any cask or package bearing inspection
22 marks, for the purpose of selling any other spirits than that
23 so inspected, or for selling spirits of a quantity or quality dif-
24 ferent from that so inspected, shall be imprisoned for a term
25 of not less than six months, and shall pay a fine of not
26 less than one hundred dollars for each cask or package so
27 used, in the discretion of the court; and any person who
28 shall knowingly purchase or sell, with inspection marks
29 thereon, any cask or package, after the same has been
30 used for distilled spirits, or who shall fraudulently omit
31 to erase or obliterate the inspection marks upon any such

32 package or cask at the time of emptying the same, shall
33 forfeit and pay the sum of two hundred dollars for
34 every cask so purchased or used, or on which the marks are
35 not so obliterated. And any person other than the inspector
36 or his assistant, who shall use any inspector's brands or plates
37 upon any cask or package containing or purporting to contain
38 distilled spirits, or any person who shall knowingly make or
39 use any counterfeit or spurious brand or plate upon any cask
40 or package of distilled spirits, as aforesaid, shall be deemed
41 guilty of a felony, and, on conviction thereof, shall pay a fine
42 of one thousand dollars and be imprisoned for not less than
43 two nor more than five years, and such cask or package, with
44 its contents, shall be forfeited to the United States. And any
45 inspector who shall permit any person not employed by him
46 to use any of his brands or plates, or who shall negligently or
47 wilfully leave such brands or plates where they can be used
48 by any other person than those who may be in his employ,
49 shall pay a fine not less than two hundred dollars, nor more
50 than one thousand dollars, in the discretion of the court. And
51 any inspector who shall employ any owner, agent, or super-
52 intendent of any distillery or warehouse under his supervision,
53 or who shall employ any person in the service of such owner,
54 agent, or superintendent, to use his plates or brands, or to
55 discharge any of the duties imposed by law upon such in-
56 spector, shall, for each offence so committed, be subject to the

fine last mentioned. And every owner, agent, or superintendent of any distillery, shall, at all times when required, supply all assistance, lights, ladders, tools, staging, or other things necessary for inspecting the premises, stock, tools, and apparatus, belonging to such person, and shall open all doors, and open for examination all boxes, packages, and all casks, barrels, and other vessels not under the control of the inspector, when required so to do by any duly authorized officer, under a penalty of two hundred dollars for any refusal or neglect so to do.

SEC. 28. *And be it further enacted,* That any distilled spirits which have been inspected, gauged, proved, and marked by the inspector, according to the provisions of law, may be removed without the payment of tax from the bonded warehouse owned by the distiller, under such rules and regulations, and upon the execution of such transportation bonds or other security, as the Commissioner of Internal Revenue, subject to the approval of the Secretary of the Treasury, may prescribe, and may be transported to any general bonded warehouse used for the storage of distilled spirits, established under the internal revenue laws and regulations, after having been branded as follows: "U. S. bonded warehouse, ——— district, ———; for transportation to ——— district, ———," (inserting in each case the number of the district and name of the State;) and immediately after the arrival of such dis-

16 tilled spirits in the district of the collector to which it was to
17 be transferred, it shall again be inspected by a general in-
18 spector, and placed in a bonded warehouse; and the tax shall
19 be paid on the difference between the number of proof
20 gallons, as stated in the bond given at the place of shipment,
21 and the number received at the warehouse, less the allowance
22 for leakage, as established by the regulations of the Commis-
23 sioner of Internal Revenue; and, except for actual destruc-
24 tion by unavoidable accident, by the elements, or by the
25 public enemy, no other allowance for loss shall be made; and
26 any distilled spirits entered in a general bonded warehouse
27 shall be subject to such rules and regulations as the Commis-
28 sioner of Internal Revenue may prescribe, and be chargeable
29 with the same costs and expenses, in all respects, to which
30 imported goods deposited in public store or bonded warehouse
31 may be subject, and shall be in charge of a storekeeper, to be
32 appointed by the Secretary of the Treasury, who, with the
33 owner and proprietor of the warehouse, shall have the joint
34 custody of all the distilled spirits so stored in said warehouse,
35 which shall be at the risk of the owner of the said spirits,
36 and all labor on the same shall be performed by the owner or
37 proprietor of the warehouse, under the supervision of the of-
38 ficer in charge of the same, and at the expense of said owner
39 or proprietor. And the same fees shall be paid for the exe-
40 cution of all papers, instruments, and documents relating to

41 the exportation of any spirits or other merchandise, as are
42 charged to exporters for like services in the custom-house;
43 and all expense and services required in the removal, transfer,
44 and shipment of the same for export shall be paid by the
45 owner thereof: *Provided,* That any distilled spirits may be
46 withdrawn from a bonded warehouse, after having been in
47 spected and gauged by a general inspector, and after the pay
48 ment to the collector of internal revenue for the district in
49 which the warehouse is situated of the tax imposed by law;
50 and when so delivered, shall be branded "U. S. bonded ware-
51 house, tax paid;" or may be removed from said warehouse
52 without the payment of the tax for the purpose of being
53 exported, or for the purpose of being rectified, or redis-
54 tilled, canned, or put into other packages, after the quan-
55 tity and proof of the spirits to be removed have been ascer-
56 tained and inspected as required by law, under such rules
57 and regulations and the execution of such bonds or other
58 security as the Commissioner of Internal Revenue, subject
59 to the approval of the Secretary of the Treasury, may pre-
60 scribe; but such removal of bonded spirits for the purpose of
61 being rectified, redistilled, or put into other packages, shall be
62 allowed but once on the same spirits; and all spirits so re-
63 moved for redistillation, rectification, or change of package,
64 shall be returned to the same warehouse, and shall again be
65 inspected; and the tax shall be paid to the said collector on

66 any deficiency or reduction beyond three per centum. And
67 upon spirits removed under bond for the purpose of being re-
68 distilled or rectified, or change of package as aforesaid, and
69 upon which an allowance shall have been made, as herein
70 provided, the duty upon such allowance shall be paid, to-
71 gether with the taxes imposed by law upon such spirits, in
72 case such spirits shall be withdrawn for consumption or sale,
73 or for transportation without being exported. And no draw-
74 back shall be allowed on any distilled spirits on which the
75 tax has been paid; but nothing in this section shall be so con-
76 strued as to prevent the manufacture in bond for exportation,
77 without the payment of taxes, of medicines, preparations,
78 compositions, perfumery, cosmetics, cordials and other liquors
79 manufactured wholly or in part of domestic spirits, as pro-
80 vided by law.

1 SEC. 29. *And be it further enacted,* That any distilled
2 spirits may be removed from bonded warehouse, for the pur-
3 pose of being exported, upon the order of the superintendent
4 of exports for the port whence the same are to be exported;
5 and such order shall state the port to which such spirits are
6 to be shipped, the name of the vessel, the number of proof
7 gallons, and the marks of the casks or packages; and such
8 spirits shall be branded "U. S. bonded warehouse, for
9 export," and shall be put on board the vessel in or by
10 which they are to be exported, under the superintendence of

11 a general inspector, and placed under the supervision of an
12 officer of the customs, after a bond with good and sufficient
13 sureties shall have been given in such form and containing
14 such conditions as the Commissioner of Internal Revenue,
15 subject to the approval of the Secretary of the Treasury, may
16 prescribe. And such bond shall be cancelled upon the pre-
17 sentation of the proper certificate that said spirits have been
18 landed at the port named in said bond, or at any other port
19 without the jurisdiction of the United States, or upon satis-
20 factory proof that after shipment the spirits have been lost.
21 And at any port where there shall be no superintendent of
22 exports, all the duties and services required of superintendents
23 of exports and drawback shall devolve upon and be performed
24 by the collector of internal revenue designated to have charge
25 of exportation.

1 SEC. 30. *And be it further enacted,* That any person
2 who shall remove any distilled spirits from the place where
3 the same is distilled, otherwise than into a bonded warehouse
4 as provided by law, shall be liable to a fine of double the
5 amount of the tax imposed thereon, and to imprisonment for
6 not less than three months. All distilled spirits so removed,
7 and all distilled spirits found elsewhere than in a bonded ware-
8 house, not having been removed from such warehouse accord-
9 ing to law, shall be forfeited to the United States, or may,
10 immediately upon discovery, be seized, and, after assessment

11 of the tax thereon, may be sold by the collector for the tax
12 and expenses of seizure and sale. And proceedings upon
13 such seizure shall be according to existing provisions of law
14 in relation to distraint, and in conformity with any regulations
15 which shall be made by the Commissioner of Internal Revenue.
16 And the burden of proof shall be upon the claimant of said
17 spirits to show that the requirements of law in regard to the
18 same have been complied with. And any person who shall
19 aid or abet in the removal of distilled spirits from any distil-
20 lery otherwise than to a bonded warehouse as provided by
21 law, or shall aid in the concealment of such spirits so removed,
22 shall be liable, on conviction thereof, to a fine of not less than
23 two hundred nor more than one thousand dollars, and to im-
24 prisonment for not less than three nor more than twelve
25 months. And any person who shall remove, or shall aid or
26 abet in the removal of any distilled spirits from any bonded
27 warehouse, otherwise than is allowed by law, shall be liable
28 to a fine of not more than one thousand dollars, and to im-
29 prisonment for not less than three nor more than twelve
30 months.

1 SEC. 31. *And be it further enacted,* That any person or
2 persons who shall add or cause to be added any ingredients
3 to any spirits before the tax imposed by law shall have been
4 paid thereon, for the purpose of creating a fictitious proof,
5 shall, upon conviction, be subject to a fine of one thousand

6 dollars for each cask or package so adulterated, and be im-
7 prisoned for not less than one nor more than two years, in the
8 discretion of the court; and such cask or package, with its
9 contents, shall be forfeited to the United States.

1 SEC. 32. *And be it further enacted,* That every rectifier
2 or wholesale dealer in distilled spirits shall enter, daily, in a
3 book or books kept for the purpose, under such rules and
4 regulations as the Commissioner of Internal Revenue may
5 prescribe, the number of proof gallons purchased or
6 received, of whom purchased and received, the name of
7 the distiller, the names of the inspectors, the number on the
8 cask or package, and the number of proof gallons sold or de-
9 livered, and to whom, and shall mark with a stencil-plate, on
10 each package of five gallons or more of distilled or rectified
11 spirits sold by him, his name and place of business; and every
12 rectifier or wholesale dealer who shall neglect or refuse to
13 keep such record, or shall omit to mark each cask or pack-
14 age as aforesaid, shall forfeit all spirits in his possession, to-
15 gether with the apparatus, tools, and implements used, and
16 be subject to a fine of five hundred dollars and imprisonment
17 for not less than six months nor more than one year, in the
18 discretion of the court.

1 SEC. 33. *And be it further enacted,* That any person
2 owning any distilled spirits intended for sale, manufactured
3 prior to the time when this act takes effect, exceeding fifty

4 gallons altogether, shall notify in writing the collector of the
5 district wherein such spirits may be stowed, held, or owned,
6 within sixty days thereafter, to gauge and prove the same;
7 and upon the receipt of said notice the collector shall cause
8 said spirits to be gauged and proved by a general inspector,
9 and the casks or packages containing the same to be marked
10 by him in the following manner:

11 ——————————

12 Manufactured prior to
13 ————, 186–.
14 ————, Inspector,
15 —— District.
16 Inspected ——, 186–.

17 ——————————

18 And no spirits so manufactured, held, or owned, shall be
19 gauged, proved, or marked in any cistern or other stationary
20 vessel, but shall be gauged, proved, and marked only in bar-
21 rels, casks, or packages in which the same shall have been
22 placed. Upon the receipt of the return the collector shall
23 immediately forward to the Commissioner of Internal Reve-
24 nue a copy thereof; and any person holding or owning such
25 spirits, and refusing or neglecting to notify the collector, as in
26 this section provided, shall forfeit the same and pay the sum
27 of five hundred dollars, to be collected in the manner provided
28 by law for the collection of other penalties. No distilled

29 spirits on which the tax has been paid shall be stored or
30 allowed to remain on any distillery premises, under the pen-
31 alty of a forfeiture of all spirits so found. And all spirits,
32 after being removed from the original packages in which
33 they were inspected and gauged into other packages for
34 purposes of rectification, redistillation or change of proof,
35 shall again be inspected and gauged and properly branded;
36 and the absence of an inspector's brand shall be taken and
37 held as sufficient cause or evidence upon which any spirits so
38 found may be forfeited. And any person who shall change
39 the character of any spirits, either by rectification, mixing, or
40 otherwise, after they have been duly inspected and marked,
41 as hereinbefore provided, and place the same in other pack-
42 ages for consumption or sale without first stamping or brand-
43 ing upon such package, in such manner as the Commissioner
44 of the Internal Revenue may prescribe, the word "Rectified,"
45 shall forfeit such spirits, and the same may be seized by the
46 collector or deputy collector of the district where such spirits
47 may be found, or by such other collector or deputy collector
48 as may be specially authorized by the Commissioner of In-
49 ternal Revenue for that purpose. And any person who shall
50 so brand any package, containing spirits, knowing the taxes
51 thereon have not been paid, shall forfeit such spirits, and be
52 deemed guilty of a misdemeanor, and upon conviction shall

53 be imprisoned for not more than two years, at the discretion
54 of the court.

1 SEC. 34. *And be it further enacted,* That the owner of
2 any oil refinery may provide, at his own expense, a ware-
3 house, in conformity with such regulations as the Secretary
4 of the Treasury may prescribe; and such warehouse, when
5 approved by the collector, is hereby declared a bonded ware-
6 house of the United States, and shall be used only for storing
7 refined coal oil or naphtha, and be under the custody of the
8 collector or his deputy. And the duty on coal oil or naphtha
9 stored in such warehouse shall be paid before it is removed
10 from such warehouse, unless removed in pursuance of law.
11 And all distilled or refined coal oil, distillate, benzine or ben-
12 zole, and naphtha, upon which an excise tax is imposed
13 by law, may, after being inspected, gauged, proved, and
14 marked by the inspector according to the provisions of this
15 act, be removed, without payment of the tax under such rules
16 and regulations, and upon the execution of such transportation
17 bonds or other security as the Secretary of the Treasury may
18 prescribe. The said oil or naphtha so removed shall be trans-
19 ferred directly from the distillery or refinery to a bonded ware-
20 house, established in conformity with law and treasury regu-
21 lations, and may be transported from such warehouse to any
22 one other bonded warehouse used for the storage of coal oil
23 or naphtha. And after the arrival of such coal oil or naphtha

24 at the bonded warehouse within the district of the assessor to
25 which it has been transferred, it shall be again inspected, and
26 the tax shall be assessed and paid on any deficiency or reduc-
27 tion of the number of gallons beyond such allowance for
28 leakage as may be established by the regulations of the Com-
29 missioner of Internal Revenue, received at the warehouse,
30 from the number of gallons as stated in the bond given at the
31 place of shipment. And any coal oil or naphtha in the public
32 warehouses shall be subject to the same rules and regulations,
33 and be chargeable with the same costs and expenses in all
34 respects, to which imported goods deposited in public store
35 or bonded warehouse may be subject; and shall be in charge
36 of a proper officer, to be designated by the Secretary of the
37 Treasury, who, with the owner and proprietor of the ware-
38 house, shall have the joint custody of all the oil or naphtha so
39 stored in said warehouse, which shall be at the risk of the
40 owner of the said oil or naphtha. And all labor on
41 the same shall be performed by the owner or proprietor
42 of the warehouse, under the supervision of the officer in
43 charge of the same, and at the expense of said owner or
44 proprietor of the warehouse; and the same fees shall be paid
45 for exports as are charged to exporters for like services in the
46 custom-house. And no drawback shall in any case be al-
47 lowed on any coal oil or naphtha, upon which a tax shall
48 have been paid, either before or after it shall have been

49 placed in a bonded warehouse: *Provided,* That any coal oil
50 or naphtha may be withdrawn from the bonded warehouse
51 after payment, to the collector of internal revenue for the dis-
52 trict in which the warehouse is situated, of the tax imposed
53 by law, or may be removed without payment of the tax for
54 the purpose of being exported, or for the purpose of being
55 distilled or canned for export, after the quantity of the oil or
56 naphtha to be removed has been ascertained and inspected
57 according to the provisions of law, under such rules and regu-
58 lations and the execution of such bond or other security as
59 the Secretary of the Treasury may prescribe. And any oil
60 or naphtha so removed for distillation shall be returned to the
61 warehouse and shall be again inspected, and the tax shall be
62 paid to the said collector on any deficiency of reduction be-
63 yond the allowance for loss by redistillation established by the
64 Commissioner of Internal Revenue, in the number of gallons
65 received at the warehouse for the purpose of being exported,
66 as aforesaid.

1 SEC. 35. *And be it further enacted,* That spirits of tur-
2 pentine may be transferred, without payment of the tax, to
3 a bonded warehouse established in conformity with law and
4 treasury regulations, under such rules and regulations and
5 upon the execution of such transportation bonds or other
6 security as may be prescribed by the Commissioner of Inter-
7 nal Revenue, subject to the approval of the Secretary of the

8 Treasury, said bonds or other security to be taken by the col-
9 lector of the district from which such removal is made; and
10 may be transported from such a warehouse to any other
11 bonded warehouse established as aforesaid, and may be with-
12 drawn from bonded warehouse for consumption on payment
13 of the tax, or removed for export to a foreign country with-
14 out payment of tax, in conformity with the provisions of law
15 relating to the removal of distilled spirits, all the rules,
16 regulations, and conditions of which, so far as applicable,
17 shall apply to spirits of turpentine in bonded warehouse.
18 And no drawback shall in any case be allowed upon any
19 spirits of turpentine.

1 SEC. 36. *And be it further enacted,* That any person or
2 persons who shall execute or sign any false or fraudulent
3 bond, permit, entry, or other document, required by law or
4 regulations; or who shall fraudulently procure the same to
5 be executed; or who shall connive at the execution thereof,
6 by which the payment of any internal revenue tax or duty
7 shall be evaded, or attempted to be evaded, or which shall be
8 executed, or purport to be executed, for the purpose of placing
9 in, or withdrawing from, any bonded warehouse any spirits
10 or other merchandise for any purpose whatever, or which
11 shall in any way be used or attempted to be used in fraud of
12 the internal revenue laws and regulations, on conviction there-
13 of, shall forfeit all property in such spirits or other merchan-

14 dise to which such instrument relates, or purports to relate,
15 and shall be imprisoned for a term not less than one nor more
16 than five years, at the discretion of the court.

1 SEC. 37. *And be it further enacted,* That any person
2 who shall knowingly and fraudulently use any false weights
3 or measures in ascertaining, weighing, or measuring the
4 quantities of grain, meal, or vegetable materials, molasses,
5 beer, or other substances to be used for distillation, or who
6 shall fraudulently make false record of the same, or who shall
7 destroy or tamper with any locks or seal which may be placed
8 on any cistern, rooms, or buildings, by the duly authorized
9 officers of the revenue, shall on conviction thereof be impris-
10 oned for the term of two years, and pay a fine not exceeding
11 one thousand dollars, in the discretion of the court; and any
12 person who shall use any molasses, beer, or other substances,
13 whether fermented on the premises or elsewhere, for the pur-
14 pose of producing spirits, before an account of the same shall
15 have been registered in the proper record book provided for
16 this purpose, shall forfeit and pay the sum of one thousand
17 dollars for each and every offence so committed.

1 SEC. 38. *And be it further enacted,* That all boilers,
2 stills, or other vessels, tools, and implements, used in distilling
3 or rectifying, and forfeited under any of the provisions of this
4 act, and all condemned material, together with any engine or
5 other machinery connected therewith, and all empty barrels,

6 and all grain or other material suitable for distillation, shall,
7 under the direction of the court in which the forfeiture is re-
8 covered, be sold at public auction, and the proceeds thereof,
9 after deducting the expenses of sale, shall be disposed of
10 according to law. And all spirits or spirituous liquors which
11 may be forfeited under the provisions of this act, unless
12 herein otherwise provided, shall be disposed of by the Com-
13 missioner of Internal Revenue as the Secretary of the Trea-
14 sury may direct. And the Commissioner of Internal
15 Revenue is hereby authorized, with the approval of the Sec-
16 retary of the Treasury, to exempt distillers of brandy from
17 apples, peaches, or grapes exclusively from such of the pro-
18 visions of this act relating to requirements for the manufac-
19 ture of spirits as in his judgment may seem expedient. And
20 any word or words in any and all parts of this act, and of all
21 acts to which this act is additional, indicating or referring to
22 person or persons, shall be taken to include partnerships,
23 firms, associations, bodies corporate or politic, or any other
24 party whatsoever, when not otherwise designated, or mani-
25 festly incompatible with the intent thereof.

1 SEC. 39. *And be it further enacted,* That no spirits shall
2 be removed in any cask or package containing more than ten
3 gallons from any premises or building in which the same may
4 have been distilled, redistilled, rectified or manufactured, nor
5 from any place of storage, at any other times than after

6 sun-rising and before sun-setting, on pain of forfeiture of such
7 spirits, and every person who shall violate this provision shall
8 be liable to a penalty of one hundred dollars for each cask,
9 barrel or package of spirits removed. Any officer of internal
10 revenue may be specially authorized by the Commissioner of
11 Internal Revenue to seize any property which may by law
12 be subject to seizure, and for that purpose such officer shall
13 have all the power conferred by law upon collectors of internal
14 revenue, and such special authority shall be limited in respect
15 of time, place, and kind or class of property as the said Com-
16 missioner may specify.

1 SEC. 40. *And be it further enacted,* That it shall be
2 lawful for any internal revenue officer to seize and detain any
3 barrels, casks, or packages containing, or supposed to contain,
4 distilled spirits when such officer has reason to believe the
5 tax imposed by law upon the same has not been paid, or that
6 they are being removed in violation of law, and such packages
7 may be detained by such officer in a safe place until it can be
8 satisfactorily ascertained by the proper officers whether the
9 articles so seized are liable to be proceeded against for viola-
10 tions of the internal revenue laws.

1 SEC. 41. *And be it further enacted,* That whenever any
2 distilled spirits so found elsewhere than in a bonded ware-
3 house, shall be sold, or offered for sale at a less price than the
4 tax imposed by law thereon, such selling or offering for sale

5 as aforesaid, shall be taken and deemed as prima facie evi-
6 dence that said spirits have not been removed from a bonded
7 warehouse according to law, and that the tax imposed by
8 law on the same has not been paid, and the same shall
9 without further evidence be liable to seizure and forfeiture:
10 *Provided,* That this section shall not apply to spirits sold at
11 public sale by an auctioneer who has paid the special tax as
12 such under such rules and regulations, and upon such public
13 notice as may be prescribed by the Commissioner of Internal
14 Revenue.

1 SEC. 42. *And be it further enacted,* That it shall be the
2 duty of every person who empties or draws off, or causes to
3 be emptied or drawn off, distilled spirits or other article sub-
4 ject by law to tax, from a cask, barrel, or package, bearing
5 any of the marks or brands required by law, or marks intended
6 for or purporting to be, or designed to have the effect of such
7 marks, immediately upon such cask, barrel, or package being
8 emptied, to efface and obliterate said marks or brands; and
9 any person who shall violate this provision shall be liable to
10 a penalty of ten dollars for each offence; and any such cask,
11 barrel, or package, from which said marks are not so effaced
12 and obliterated as herein required, shall be liable to forfeiture,
13 and may be seized by any officer of internal revenue wher-
14 ever found.

1 SEC. 43. *And be it further enacted,* That in case any

2 transportation bond is forfeited by failure to furnish or produce
3 at the proper time the evidence required by law or regulation
4 that the articles named in the bond were duly received and
5 actually stored in the warehouse or district to which they
6 were shipped, or other breach of the obligation, the obligors
7 in the bond shall pay the total amount of duties upon the
8 articles removed under the bond, together with fifty per
9 centum upon that amount, and the collector of the district in
10 which such bond is or may be given may forthwith distrain
11 upon any property, real or personal, subject to distraint or
12 seizure, belonging to said obligors; and in case no such prop-
13 erty can be found, the collector shall immediately forward
14 the bond to the United States district attorney for the proper
15 district for suit, and notice of the breach of the obligation of
16 any such bond shall be forthwith forwarded by the collector
17 of the district to the Commissioner of Internal Revenue.

1 SEC. 44. *And be it further enacted,* That if any per-
2 son shall falsely represent himself to be a revenue officer of
3 the United States, and shall in such assumed character de-
4 mand or receive any money or other article of value from
5 any person for any duty or tax due to the United States, or
6 for any violation or pretended violation of any revenue law of
7 the United States, such person shall be deemed guilty of a
8 felony, and on conviction thereof shall be liable to a fine of
9 five hundred dollars, and to imprisonment not less than six

10 months and not exceeding two years, at the discretion of the
11 court.

1 SEC. 45. *And be it further enacted,* That no distilled
2 spirits which have been forfeited to the government in
3 accordance with law, shall be sold for a price less than the
4 amount of the tax required thereon by law at the time of
5 such sale. And if the officer having such spirits in charge
6 shall have been unable, for a period of ninety days, to sell
7 the same for the price equal to the tax, such spirits shall be
8 destroyed, under such rules and regulations as the Commis-
9 sioner of Internal Revenue may prescribe.

1 SEC. 46. *And be it further enacted,* That all acts and
2 parts of acts inconsistent with this act are hereby repealed.
3 And sections sixty and one hundred and fourteen of an act
4 entitled "An act to provide internal revenue to support the
5 government, to pay interest on the public debt, and for other
6 purposes," approved June thirty, eighteen hundred and sixty-
7 four, and so much of sections fourteen and one hundred and
8 sixty-seven, as relate to turnpike roads, are also hereby repealed.

1 SEC. 47. *And be it further enacted,* That inspectors of
2 distilleries, appointed under the provisions of this act, shall be
3 required to give bonds, with security, approved by the Secre-
4 tary of the Treasury, or assessor of the district, in a sum not
5 less than five thousand dollars, conditioned for the faithful
6 discharge of the duties of such inspector.

1 SEC. 48. *And be it further enacted,* That no action or
2 prosecution for the recovery of any claim of the United States,
3 arising from alleged violations of, or frauds upon, the revenue
4 laws, shall be compromised or discontinued without the assent
5 of the district attorney of the United States for the district in
6 which such proceeding is pending, or of the Attorney General
7 of the United States, with the approval of the court in which
8 the action is pending; and such assent shall, in all cases,
9 assign the reasons for such compromise or discontinuance,
10 and shall be indorsed upon the papers in the case, and shall
11 be preserved in the files of the court.

1 SEC. 49. *And be it further enacted,* That any informer,
2 on furnishing satisfactory security to the court for the appear-
3 ance of himself and his witnesses, and also for the costs and
4 expenses of the proceedings, shall have the right to prosecute
5 in the name of the United States, notwithstanding any refusal
6 or neglect of any collector so to do; and, upon furnishing the
7 security as aforesaid, the same proceedings shall be had as if
8 the collector had authorized it, but without responsibility to
9 him, and the proceedings shall be thenceforward under the
10 control of the district attorney.

1 SEC. 50. *And be it further enacted,* That any person who
2 shall sell any empty cigar box or boxes which have been
3 stamped, without first removing such stamp, or shall refill
4 any cigar box without first removing such stamp, shall on

5 conviction of each offence be liable to a penalty of one hun-
6 dred dollars or to imprisonment not exceeding sixty days, or
7 both, in the discretion of the court, with the costs of the trial,
8 and it shall be lawful for any cigar inspector or revenue
9 officer to destroy any empty cigar box upon which a cigar
10 stamp shall be found.

1 SEC. 51. *And be it further enacted,* That the dealers of
2 any lottery shall give bond, in the sum of two hundred dol-
3 lars, that the person paying such tax shall not sell any tickets
4 or supplementary ticket of any lottery which has not been
5 duly stamped according to law, and that he will pay the tax
6 imposed by law upon the gross receipts of his sales.

Passed the House of Representatives February 25, 1867.

Attest: EDWARD McPHERSON, *Clerk*