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SECTION 1. PURPOSE.

The purpose of this Revenue Procedure is to advise manufacturers of tobacco products that inventories of tobacco materials, tobacco products, and tax stamps, held in each factory as of January first of each year, are no longer required.

SEC. 2. BACKGROUND.

In the past, manufacturers of tobacco products have been required to furnish inventories, as of the first of each calendar year, of tobacco materials, tobacco products, and tax stamps. In recent years, such inventories have been used principally for the compilation of statistics, particularly in the area of "tobacco materials used."

SEC. 3. DETERMINATION.

In order to effect economies by eliminating requirements and services no longer considered necessary, it has been determined to discontinue the compilation and release of statistics relating to tobacco materials used in the manufacture of tobacco products. This determination is based upon the finding that such statistics are no longer necessary in the administration of the internal revenue laws or for industry purposes. The discontinuance of such statistics makes it possible to eliminate the requirement for the furnishing of inventories by manufacturers of tobacco products, as of January first of each year, of tobacco materials, tobacco products, and tax stamps. This determination is not intended in any way to modify the provisions of section 270.141(c) of the Regulations relating to Cigars and Cigarettes (Manufacturers, Importers, and Dealers) or section 275.131(c) of the Regulations relating to Manufactured Tobacco (Manufacturers, Importers, and Dealers).

SEC. 4. EFFECT ON OTHER DOCUMENTS.

Revenue Ruling 56-73, C. B. 1956-1, 539, is modified to apply only to inventories which may be required under sections 270.141 and 275.131 of the regulations. Revenue Procedure 57-11, C. B. 1957-1, 739, and Revenue Procedure 57-34, C. B. 1952-2, 1107, as they relate to inventories, will continue to be followed as to inventories which may be required under the above sections.

SEC. 5. INQUIRIES.

Inquiries with respect to this Revenue Procedure should refer to the number thereof and should be addressed to the appropriate Assistant Regional Commissioner, Alcohol and Tobacco Tax.

26 CFR 601.319: Applicable laws.
(Also Part I, Sections 5812, 5848; Sections
179.95 and 179.20.)

Rev. Proc. 58-8

On and after July 1, 1958, only a natural person lawfully possessing a firearm which was duly registered, made, transferred, or imported by or to such person in accordance with the applicable provisions of the Internal Revenue Code, may transform such firearm into a deactivated war trophy.

Revenue Ruling 55-590, C. B. 1955-2, 483, and Revenue Ruling 57-227, C. B. 1957-1, 433, modified.

SECTION 1. PURPOSE.

The purpose of this Revenue Procedure is to announce the termination of the war trophy firearms deactivation program conducted in connection with the administration of the National Firearms Act, and to specify necessary changes in the policy and procedure applicable to the firearms program.

SEC. 2. POLICY AND PROCEDURE.

.01 On and after July 1, 1958, only a natural person lawfully possessing a firearm which, prior to such date, was duly (1) registered, as provided by section 5841, of the Internal Revenue Code of 1954; (2) made, in accordance with the provisions of section 5821 of the Code; (3) transferred, in accordance with the provisions of section 5812 or 5814(a) of the Code; or (4) imported, in accordance with the provisions of section 5845 of the Code, by or to such person, may, upon written request addressed to the appropriate Assistant Regional Commissioner, Alcohol and Tobacco Tax, transform such firearm into a deactivated war trophy (DEWAT) by steel welding, as distinguished from brazing or any other method, the chamber of the firearm shut and welding the barrel solidly into the frame or receiver. The firearm must be deactivated under the supervision of an Alcohol and Tobacco Tax investigator who will certify as to its deactivated condition. Also, the costs of deactivation must be assumed by the owner. After deactivation of a firearm has been completed, the investigator will endorse the appropriate Form 1 (Firearms), Application for Registration of Firearm; Form 1A (Firearms), Declaration of Intent to Make a Firearm; Form 4 (Firearms), Application and Order for Transfer of Firearm; Form 5 (Firearms), Notice of Tax-exempt Domestic Transfer of Firearm; or Form 6 (Firearms), Application for Importation of Firearms, as the case may be, which is held by the owner. Such endorsement shall read as follows:

Removed from the Classification of a firearm by steel
welding in the prescribed manner on _____

(Date)

Investigator, Alcohol and Tobacco Tax _____

(Signed)

.02 Since such a deactivated war trophy (DEWAT) falls in the category of a harmless ordnance curio, rather than a "unserviceable" firearm, as contemplated by section 5812(a)(3) of the Code, notification of subsequent transfers of "DEWATs" need not be given.

.03 Any unregistered firearm coming within the purview of the National Firearms Act (Chapter 53 of the Internal Revenue Code) will be considered a contraband article subject to forfeiture to the United States under section 5862 of the Code.

SEC. 3. EFFECTIVE ON OTHER DOCUMENTS.

Revenue Ruling 55-590, C. B. 1955-2, 483, and Revenue Ruling 57-227, C. B. 1957-1, 433, are hereby modified to the extent that they are inconsistent with the procedure described above as to firearms deactivated on and after July 1, 1958.

SEC. 4. EFFECTIVE DATE.

This Revenue Procedure is effective July 1, 1958.

SEC. 5. INQUIRIES.

Inquiries relating to this Revenue Procedure should be addressed to the office of the appropriate Assistant Regional Commissioner, Alcohol and Tobacco Tax.

26 CFR 601.316: Administrative remedies available to taxpayers after the purchase of tobacco tax stamps or after assessment or payment of tobacco taxes.
(Also Part I, Section 5705, 270.164, 270.197.)

Rev. Proc. 58-9

Means for establishing that claims, filed after June 30, 1959, by manufacturers and importers of cigars, for refund of tax paid by return on cigars withdrawn from the market, were filed within the statutory period of limitation.

SECTION 1. PURPOSE.

The purpose of this Revenue Procedure is to call to the attention of manufacturers and importers of cigars the advisability of their having a means for establishing that claims, filed after June 30, 1959, for refund of tax paid by return on cigars withdrawn from the market, were filed within the statutory period of limitation.

SEC. 2. BACKGROUND.

Because the return system for the taxpayment of cigars became effective July 1, 1956, any claim filed on or before June 30, 1959, for refund of cigar taxes paid by return, is within the three-year time limitation imposed by section 5705(c) of the Internal Revenue Code of 1954. In such claim, a general statement that the cigars were taxpaid on or after July 1, 1956, in lieu of a more specific fixing of the time of taxpayment, is acceptable. After June 30, 1959, failure or inability of the claimant to establish the timely filing of a claim will result in its rejection. Since cigars which are now being taxpaid by return and which are withdrawn from the market may be the subject of a claim filed after June 30, 1959, the matter is being called to the attention of manufacturers and importers of cigars.

SEC. 3. MEANS OF ESTABLISHING TIMELY FILING OF CLAIMS.

It is suggested that the manufacturers and importers of cigars devise some means for establishing the timely filing of claims filed after June 30, 1959, such as by marking the packages of cigars, in code or otherwise, to indicate the date of taxpayment. Where it is not feasible to indicate the date of taxpayment, it may be desired to mark the packages to indicate an earlier date, from which date to measure the period for the timely filing of claims, such as the date of packaging of the cigars, or the date of removal of the cigars from the factory or from customs' custody. This marking may represent the week or month of the year, in lieu of the specific date. The key to any code in use or to be adopted, for this purpose, should be immediately furnished to the appropriate Assistant Regional Commissioner, Alcohol and Tobacco Tax.