

Internal Revenue Bulletin

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<i>Rev. Proc. No.</i>	<i>C.B. Citation</i>
64-1	1964-1 (Part I), 640
64-3	1964-1 (Part I), 642
64-52	1964-2, 1005
66-26	1966-1, 654
66-28	1966-1, 655
66-31	1966-2, 1212
66-42	1966-2, 1251
66-46	1966-2, 1255
67-5	1967-1, 575
67-8	1967-1, 582
67-11	1967-1, 589
68-15	1968-1, 769

Failure to include in this list of Revenue Procedures any administrative provisions should not be taken to imply that such has been determined to have continuing application to future transactions.

STATEMENT OF ORGANIZATION AND FUNCTIONS¹

This material supersedes the statements on organizations and functions published at 36 F.R. 849—890 [C.B. 1971-1,698], 36 F.R. 11946 [C.B. 1971-2,577], and 37 F.R. 489-490.

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Internal Revenue*

Dated: September 27, 1972.

1100 Organization and Staffing

1110 ORGANIZATIONAL AND FUNCTIONS OF THE INTERNAL REVENUE SERVICE

1111 ESTABLISHMENT OF THE INTERNAL REVENUE SERVICE

1111.1 MISSION

The mission of the Service is to encourage and achieve the highest possible degree of voluntary compliance with the tax laws and regulations and to maintain the highest degree of public confidence in the integrity and efficiency of the Service. This includes communicating the requirements of the law to the public, determining the extent of compliance and causes of

non-compliance, and doing all things needful to a proper enforcement of the law.

1111.2 ORGANIC ACT

(1) The Office of the Commissioner of Internal Revenue was established by an act of Congress (12 Stat. 432) on July 1, 1862, and the first Commissioner of Internal Revenue took office on July 17, 1862.

(2) The act of July 1 provided:

“ . . . That, for the purpose of superintending the collection of internal duties, stamp duties, licenses, or taxes imposed by this Act, or which may be hereafter imposed, and of assessing the same, an office is hereby created in the Treasury Department to be called the Office of the Commissioner of the Internal Revenue; . . . Commissioner of the Internal Revenue, . . . shall be charged, and hereby is charged, under the direction of the Secretary of the Treasury, with preparing all the instructions, regulations, directions, forms, blanks, stamps, and licenses, and distributing the same or any part thereof, and all other matters pertaining to the assessment and collection of the duties, stamp duties, licenses, and taxes, which may be necessary to carry this Act into effect, and with the general superintendence of his office, as aforesaid, and shall have authority, and hereby is authorized and required, to provide proper and sufficient stamps or dies for expressing and denoting the several stamp duties, or the amount thereof in the case of percentage duties, imposed by this Act, and to alter and renew or replace such stamps from time to time, as occasion shall require; . . . ”

(3) By common parlance and understanding of the time, an office of the importance of the Office of Commissioner of Internal Revenue was a bureau. The Secretary of the Treasury in his report at the close of the calendar year 1862 stated that “The Bureau of Internal Revenue has been organized under the Act of the last session . . . ” Also it can be seen that Congress

had intended to establish a Bureau of Internal Revenue, or thought they had, from the act of March 3, 1863, in which provision was made for the President to appoint with Senate confirmation a Deputy Commissioner of Internal Revenue “who shall be charged with such duties in the bureau of internal revenue as may be prescribed by the Secretary of the Treasury, or as may be required by law, and who shall act as Commissioner of internal revenue in the absence of that officer, and exercise the privilege of franking all letters and documents pertaining to the office of internal revenue.” In other words, “the office of internal revenue” was “the bureau of internal revenue,” and the act of July 1, 1862 is the organic act of today’s Internal Revenue Service.

1111.3 HISTORY

1111.31 INTERNAL TAXATION

Madison’s Notes on the Constitutional Convention reveal clearly that the framers of the Constitution believed for some time that the principal, if not sole, support of the new Federal Government would be derived from customs duties and taxes connected with shipping and importations. Internal taxation would not be resorted to except infrequently, and for special reasons. The first resort to internal taxation, the enactment of internal revenue laws in 1791 and in the following 10 years, was occasioned by the exigencies of the public credit. These first laws were repealed in 1802. Internal revenue laws were reenacted for the period 1813-1817 when the effects of the war of 1812 caused Congress to resort to internal taxation. From 1818 to 1861, however, the United States had no internal revenue laws and the Federal Government was supported by the revenue from import duties and the proceeds from the sale of public lands. In 1862 Congress once more levied internal revenue taxes. This time the establishment of an internal revenue system, not exclusively

¹ 37 F.R. 20960