

or operator does not hold himself out to the public as engaged in the business of carrying passengers. A person, however, who habitually carries passengers for hire whenever the opportunity presents or the capacity of his car permits is liable to tax.

ART. 33. Special tax stamp.—The special tax stamp issued must cover the total tax liability of the taxpayer at the time the stamp is taken out. If subsequent to the issuance of the stamp the taxpayer adds to the number of cars operated, he must pay the additional special tax at the increased rate for the balance of the fiscal year beginning with the first day of the month in which his tax liability was increased and ending the following June 30. Receipt for this payment will be evidenced on Form 1, which must be posted with the special tax stamp in the taxpayer's place of business. A taxpayer does not incur an increased liability to tax by reason of replacing a car with a new car, unless the new car has a larger seating capacity than the car replaced and is subject to a higher rate of tax. For example, a person engaged in the business of operating passenger automobiles for hire owns 40 machines, each of them carrying 5 passengers. He takes out one special tax stamp valued at \$400, covering his total liability. In February he sells seven of his machines and buys new ones of the same seating capacity. No additional special tax liability is incurred. If, however, he should replace his old machines with seven-passenger machines he would be liable for additional tax in the sum of \$29.17. The purchaser of a passenger automobile for the operation of which special tax has been paid by the previous owner does not acquire the right to operate the automobile under the special tax stamp which was issued to the previous owner. The special tax stamp issued must be conspicuously posted in the place of business of the person operating or renting passenger automobiles. Automobiles in respect of which special tax has been paid may be operated at any place in the United States so long as the owner of the car remains the same. When a special tax stamp is issued, the engine number of the car or cars covered by the stamp shall be registered with the collector issuing the stamp, who, in addition to the stamp, will issue a receipt card for each car which will bear the number corresponding to that on the engine of the car for which issued, and this receipt shall be carried by the operator at all times. The operation of a car without a receipt card or with a receipt card bearing a different engine number than that on the engine of the car operated shall be prima facie evasion of tax. Any replacement of a car must be likewise registered with the collector and a new receipt card will be issued in lieu of the card originally issued for the car which the new car replaces.

SPECIAL TAXES UPON THE USE OF BOATS.

SEC. 1003. That sixty days after the passage of this Act, and thereafter on July 1 in each year, and also at the time of the original purchase of a new boat by a user, if on any other date than July 1, there shall be levied, assessed, collected, and paid in lieu of the tax imposed by section 603 of the Revenue Act of 1917, upon the use of yachts, pleasure boats, power boats, and sailing boats, of over five net tons, and motor boats with fixed engines, not used exclusively for trade, fishing, or national defense, or not built according to plans and specifications approved by the Navy Department, a special excise tax to be based on each yacht or boat, at rates as follows: Yachts, pleasure boats, power boats, motor boats with fixed engines, and sailing boats, of over five net tons, length not over fifty feet, \$1 for each foot; length over fifty feet and not over one hundred feet, \$2 for each foot; length over one hundred feet, \$4 for each foot; motor boats of not over five net tons with fixed engines, \$10.

In determining the length of such yachts, pleasure boats, power boats, motor boats with fixed engines, and sailing boats, the measurement of over-all length shall govern.

In the case of a tax imposed at the time of the original purchase of a new boat on any other date than July 1, and in the case of the tax taking effect sixty days after the passage of this Act, the amount to be paid shall be the same number of twelfths of the amount of the tax as the number of calendar months (including the month of sale, or the month in which is included the sixty-first day after the passage of this Act, as the case may be) remaining prior to the following July 1.

If the tax imposed by section 603 of the Revenue Act of 1917, for the fiscal year ending June 30, 1919, has been paid in respect to the use of any boat, the amount so paid shall under such regulations as the Commissioner, with the approval of the Secretary, may prescribe, be credited upon the first tax due under this section in respect to the use of such boat, or be refunded to the person paying the first tax imposed by this section in respect to the use of such boat.

ART. 34. Effective date.—The effective date of the tax on boats is April 26, 1919. This tax is in lieu of a similar tax imposed by section 603 of the revenue act of 1917.

ART. 35. Taxable period.—The first taxable period is from April 1, 1919, or from the date of the original purchase of a new boat by a user, to June 30, 1919, inclusive. Succeeding taxable periods cover the fiscal year beginning July 1 and ending June 30 of the succeeding year.

ART. 36. Basis of tax.—The tax is based on use and not on mere possession or ownership. Liability to tax begins from the first day of the month in which the boat is used. Thus, if the first use of a boat is on April 27, 1919, the liability to tax begins on April 1, 1919. A boat which is not in use during any part of a fiscal year is not subject to tax for that period.

ART. 37. Persons liable.—The owner, lessee, or charterer of a boat is liable for the tax.