

PART I.

TRANSMISSION OF DISPATCHES, MESSAGES, AND CONVERSATIONS.

SECTION 500 (f) AND (h) OF REVENUE ACT OF 1918.

Sec. 500. That from and after April 1, 1919, there shall be levied, assessed, collected, and paid, in lieu of the taxes imposed by section 500 of the revenue act of 1917—

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(f) In the case of each telegraph, telephone, cable, or radio, dispatch, message, or conversation, which originates on or after such date within the United States, and for the transmission of which the charge is more than 14 cents and not more than 50 cents, a tax of 5 cents; and if the charge is more than 50 cents, a tax of 10 cents: *Provided*, That only one payment of such tax shall be required, notwithstanding the lines or stations of one or more persons are used for the transmission of such dispatch, message, or conversation;

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(h) No tax shall be imposed under this section upon any payment received for services rendered to the United States or to any State or Territory or the District of Columbia. The right to exemption under this subdivision shall be evidenced in such manner as the Commissioner, with the approval of the Secretary, may by regulation prescribe.

IMPOSITION OF TAX.

ARTICLE 1. *Imposition of the tax—Transmission.*—The tax is imposed upon the transmission of a message or conversation, by telephone, telegraph, radio, or cable. Transmission includes services rendered and facilities provided by the carrier necessary or incidental to the actual movement of the message; for example, messenger service utilized in the movement of a toll message.

Transmission begins when the message is delivered by the sender to the carrier or its agent, and continues until its receipt by the addressee or his agent. Where, therefore, a message passes by the combined facilities of several lines, there is one message and one transmission. But where a sender uses a telephone toll message to reach a telegraph office to secure the transmission of a telegraph message, the place of delivery of the telegraph message by the sender to the carrier is the telegraph office, and the transmission of the telegraph message begins there. The telephone message is a separate message and as such subject to the provisions of the act.

ART. 2. *Imposition of tax—Carrier.*—The tax applies to transmission services when rendered for hire, whether or not the agency rendering them is a common carrier (sec. 501 (c)). Accordingly, a carrier of dispatches, messages, or conversations by telegraph, telephone, cable, or radio is held to be any person, corporation, partnership, or association who or which, for hire, furnishes the services