

of the net gifts for such calendar year and for each of the preceding calendar years, over

“(B) 110 per centum of a tax, computed in accordance with the said Rate Schedule, on the aggregate sum of the net gifts for each of the preceding calendar years.

Calendar year 1940.

“(2) The tax for the calendar year 1940 shall be the sum of (A) the tax computed under subsection (a), plus (B) an amount which bears the same ratio to 10 per centum of the tax so computed as the amount of gifts made after the date of the enactment of the Revenue Act of 1940 bears to the total amount of gifts made during the year. For the purposes of this paragraph, the term ‘gifts’ does not include gifts which, under section 1003 (b) (2), are not to be included in computing the total amount of gifts made during the calendar year 1940, or gifts which, in the case of a citizen or resident, are allowed as a deduction by section 1004 (a) (2), or gifts which, in the case of a nonresident not a citizen of the United States, are allowed as a deduction by section 1004 (b).”

SEC. 208. TAX ON TRANSFERS TO AVOID INCOME TAX.

53 Stat. 172.
26 U. S. C., Supp.
V, § 1250.
General rule.
Defense tax.

Section 1250 of the Internal Revenue Code is amended by inserting “(a) GENERAL RULE.—” before the first paragraph and inserting at the end thereof the following new subsection:

“(b) DEFENSE TAX FOR FIVE YEARS.—In the case of any transfer during the period after the date of the enactment of the Revenue Act of 1940 and before July 1, 1945, the rate provided in subsection (a) shall be 27½ per centum in lieu of 25 per centum.”

SEC. 209. CONTINUATION OF EXCISE TAXES.

Continuation of ex-
cise taxes.
53 Stat. 195, 196, 411,
420, 421, 422, 425.
26 U. S. C., Supp. V.

Sections 1801, 1802, 3403 (f) (1), 3452, 3460 (a), 3465, 3481 (b), and 3482 of the Internal Revenue Code are amended by striking out “1941” wherever appearing therein and inserting in lieu thereof “1945”.

SEC. 210. MISCELLANEOUS EXCISES.

53 Stat. 175.
26 U. S. C., Supp. V,
§ 1400.

The Internal Revenue Code is amended by inserting at the end of chapter 9 the following new chapter:

“CHAPTER 9A—DEFENSE TAX FOR FIVE YEARS

“SEC. 1650. DEFENSE TAX FOR FIVE YEARS.

Defense tax.

“(a) In lieu of the rates of tax specified in such of the sections of this title as are set forth in the following table, the rates applicable with respect to the period after June 30, 1940, and before July 1, 1945, shall be the rates set forth under the heading ‘Defense-Tax Rate’: