

by an independent appraiser selected by such city and the Veterans' Administration and paid jointly by such city and the Veterans' Administration.

SEC. 2. The exact legal description of the land to be conveyed under this Act is to be determined by a survey to be made under the supervision of the Veterans' Administration.

Approved August 9, 1955.

Public Law 316

CHAPTER 676

AN ACT

Granting the consent of the Congress to the negotiation of a compact relating to the waters of the Klamath River by the States of Oregon and California.

August 9, 1955
[H. R. 3587]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of the Congress is hereby given to the States of Oregon and California to negotiate and enter into a compact, providing for an equitable apportionment between the said States of the waters of the Klamath River and its tributaries, including Lost River which is not naturally tributary to the Klamath River but which is an interstate stream within the Klamath Basin which has become tributary to Klamath River by virtue of a diversion canal constructed by the Bureau of Reclamation, United States Department of the Interior, and for matters incidental thereto, upon the condition that one qualified person, not a resident of either Oregon or California, who shall be appointed by the President of the United States, shall participate in said negotiations as a representative of the United States and shall make a report to the President and the Congress of the proceedings and of any compact so negotiated. Said compact shall not be binding or obligatory upon any of the parties thereto unless and until the same shall have been ratified by the legislature of each of the States aforesaid and consented to by the Congress of the United States.

Klamath River.
Consent of Congress to interstate compact.

Approved August 9, 1955.

Public Law 317

CHAPTER 677

AN ACT

To amend the Internal Revenue Code of 1954 to provide for a maximum manufacturers' excise tax on the leases of certain automobile utility trailers.

August 9, 1955
[H. R. 3437]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4216 (c) (1) of the Internal Revenue Code of 1954 is amended by inserting after "lease" the following: "(other than a lease to which subsection (d) applies)".

Leases of certain trailers.
68A Stat. 493.
26 USC 4216.

SEC. 2. Section 4216 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following:

"(d) LEASES OF CERTAIN TRAILERS.—In the case of any lease of a trailer or semitrailer taxable under section 4061 (a) and suitable for use in connection with passenger automobiles, there shall be paid, at the election of the taxpayer—

26 USC 4061.

"(1) upon the initial lease a tax at the applicable rate specified in section 4061 (a) based upon the fair market value on the date of such lease, or

"(2) upon each lease payment with respect to such trailer or semitrailer, a percentage of such payment equal to the rate of tax

which would be imposed upon the sale of such trailer or semitrailer, until the total of the tax payments under such lease and any prior lease equals the total tax. In any case where a trailer or semitrailer which has been leased is sold before the total tax has been paid, the tax payable on such sale shall be the difference between the tax paid on the lease payments and the total tax. For purposes of this paragraph, the term 'total tax' means the tax computed, at the rate in effect on the date of the initial lease, on the fair market value on the date of such lease. However, in the case where a trailer or semitrailer which has been leased is sold before the total tax has been paid, the total tax shall not exceed a tax computed, at the rate in effect on the date of the initial lease, on the amount received on such sale (determined without regard to section 4216 (b)) plus the total of the payments received by the lessor under any lease of such trailer or semitrailer."

26 USC 4217.

SEC. 3. Section 4217 of the Internal Revenue Code of 1954 is amended by adding at the end thereof a new sentence as follows: "This section shall not apply to the lease of an article upon which the tax has been paid in the manner provided in section 4216 (d) (1) or the total tax has been paid in the manner provided in section 4216 (d) (2)."

Effective date.

SEC. 4. The amendments made by subsection (a) shall take effect on the first day of the first month which begins more than 10 days after the date of the enactment of this Act. In the application of section 4216 (d) of the Internal Revenue Code of 1954 (as added by this Act) to any article which has been leased before the effective date specified in the preceding sentence, under regulations prescribed by the Secretary of the Treasury or his delegate—

(1) the fair market value of such article shall be the fair market value determined as of such effective date;

(2) only payments under a lease received on or after such effective date shall be considered in determining when the total tax (as defined in such section 4216 (d)) has been paid;

(3) any lease existing on such effective date, or if there is none, the first lease entered into after such effective date, shall be considered an initial lease (except that fair market value shall be determined as provided in paragraph (1) of this sentence); and

(4) any lease existing on such effective date shall be considered as having been entered into on such date.

Approved August 9, 1955.

Public Law 318

CHAPTER 678

AN ACT

August 9, 1955
[H. R. 2112]

To amend the Act of February 21, 1946 (60 Stat. 26), to permit the retirement of temporary officers of the naval service after completion of more than twenty years of active service.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of February 21, 1946 (60 Stat. 26), as amended, is further amended by—

(a) inserting in section 6 after the word "thereof" where it first occurs a comma and the phrase "including any member of the naval service temporarily appointed to commissioned grade whose permanent status is enlisted,";

(b) adding at the end of section 6 the following new sentence: "As used in this section 'active commissioned service' includes all active service performed under a temporary appointment to a

Navy and Marine
Corps.
Retirement of
temporary officers.
34 USC 410b.