

§ 30.23 [Amended]

Par. 12. Section 30.23 is amended by revising two computations in the example which follows the text. The first revised computation follows the introductory text of the example, and the second computation appears in the paragraph before the last paragraph of the example. As revised, they read as follows:

§ 30.23 Use of precision hydrometers and thermometers.

* * * * *

Example. * * *

From Table 1:

193.0° at 72.0° F.	=	190.2°
192.0° at 72.0° F.	=	189.1°

Difference	=	1.1°
192.0° at 72.0° F.	=	189.1°
192.0° at 73.0° F.	=	188.9°

Difference	=	0.2°
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Proof at 60° F.=189.1+0.902–
0.03=189.972°=190.0°.

* * * * *

§ 30.24 [Amended]

Par. 13. Section 30.24 is amended by removing the degree symbol following the number “0.0005” from the concluding sentence in paragraph (a).

§ 30.32 [Amended]

Par. 14. Section 30.32 is amended by removing the word “distilate” in the third sentence of paragraph (c) and adding in its place the word “distillate”.

§ 30.43 [Amended]

Par. 15. Section 30.43 is amended by removing the word “wight” in the second sentence of the introductory text and adding in its place the word “weight”.

§ 30.51 [Amended]

Par. 16. The example following § 30.51 is amended by removing the number “868” from the line which begins “Proof of spirits” and by adding in its place the number “86.8” and by removing the number “995” from the line which begins “Temperature correction factor” and adding in its place the number “0.995”.

PART 275—IMPORTATION OF TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES

Par. 17. The authority citation for part 275 continues to read as follows:

Authority: 26 U.S.C. 5701, 5703, 5704, 5705, 5708, 5722, 5723, 5741, 5761, 5762, 5763, 6301, 6302, 6313, 6404, 7101, 7212, 7342, 7606, 7652, 7805; 31 U.S.C. 9301, 9303, 9304, 9306.

Par. 18. Section 275.30 is revised to read as follows:

§ 275.30 Pipe tobacco.

On pipe tobacco imported or brought into the United States after January 1, 1993, the tax imposed by law is 67.5 cents per pound and a proportionate tax at the like rate on fractional parts of a pound. (See 26 U.S.C. 5701(f).)

Par. 19. Section 275.31 is revised to read as follows:

§ 275.31 Cigar tax rates.

(a) On cigars imported or brought into the United States on or after January 1, 1993, the taxes imposed by law are:

(1) Small cigars. \$1.125 per thousand.
(2) Large cigars. 12.75 percent of the sale price, but not more than \$30 per thousand.

(b) Cigars not exempt from tax under this part which are removed but not intended for sale are taxed at the same rate as similar cigars removed for sale. (See 26 U.S.C. 5701(a).)

Par. 20. Section 275.32 is revised to read as follows:

§ 275.32 Cigarette tax rates.

(a) On cigarettes imported or brought into the United States on or after January 1, 1993, the taxes imposed by law are:

(1) Small cigarettes. \$12 per thousand.
(2) Large cigarettes. \$25.20 per thousand.

(b) Special rule for large cigarettes. If large cigarettes are more than 6½ inches in length, the rate of tax is the rate prescribed for small cigarettes, counting each 2 3/4 inches, or fraction thereof, of the length of each as one cigarette. (See 26 U.S.C. 5701(b).)

Par. 21. Section 275.33 is revised to read as follows:

§ 275.33 Smokeless tobacco tax rates.

On smokeless tobacco imported or brought into the United States, the following taxes are imposed by law:

(a) Snuff. Snuff removed on or after January 1, 1993, 36 cents per pound and a proportional tax at a like rate on fractional parts of a pound.

(b) Chewing tobacco. Chewing tobacco removed on or after January 1, 1993, 12 cents per pound and a proportional tax at the like rate on fractional parts of a pound. (See 26 U.S.C. 5701(e).)

Par. 22. Section 275.34 is revised to read as follows:

§ 275.34 Cigarette papers.

(a) On each book or set of cigarette papers containing more than 25 papers imported or brought into the United States on or after January 1, 1993, the taxes imposed by law are 0.75 cent for each 50 papers or fractional part thereof.

(b) Where cigarette papers measure more than 6½ inches in length, they shall be taxable at the above rates, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette paper. (See 26 U.S.C. 5701(c).)

Par. 23. Section 275.35 is revised to read as follows:

§ 275.35 Cigarette tubes.

(a) On cigarette tubes imported or brought into the United States on or after January 1, 1993, the taxes imposed by law are 1.5 cents for each 50 tubes or fractional part thereof.

(b) Where cigarette tubes measure more than 6½ inches in length, they shall be taxable at the above rates, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette tube. (See 26 U.S.C. 5701(d).)

§ 275.39 [Removed] and § 275.39a [Redesignated as 275.39]

Par. 24. Section 275.39 is removed and section 275.39a is redesignated as section 275.39.

§ 275.72a [Removed], § 275.72b [Redesignated as 275.72a] and § 275.72c [Removed]

Par. 25. Section 275.72a is removed, section 275.72b is redesignated as section 275.72a, and section 275.72c is removed.

Subpart H (§§ 275.151–275.153) [Removed]

Par. 26. Subpart H consisting of §§ 275.151 through 275.153, is removed and reserved.

§ 275.183 [Removed]

Par. 27. Section 275.183 is removed and reserved.

Signed: June 3, 1996.

John W. Magaw,
Director.

Approved: June 10, 1996.

John P. Simpson,
Deputy Assistant Secretary (Regulatory, Tariff and Trade Enforcement).

[FR Doc. 96–17996 Filed 7–15–96; 8:45 am]

BILLING CODE 4810–31–P

27 CFR Part 53**[T.D. ATF-380]****RIN 1512-AB42****Manufacturers Excise Taxes—Firearms and Ammunition (95R-055P)**

AGENCY: Bureau of Alcohol, Tobacco and Firearms (ATF), Department of the Treasury.

ACTION: Temporary rule (Treasury decision).

SUMMARY: The Bureau of Alcohol, Tobacco and Firearms (ATF) is amending the regulations in 27 CFR Part 53 to simplify the regulations relating to exemption certificates. The regulations are being revised to give taxpayers the option of using a preprinted document for use as exemption certificates and vendor(vendee) statements or designing their own certificates and statements using specified information. The temporary rule will remain in effect until superseded by final regulations.

These amendments are part of the Administration's Reinventing Government effort to reduce burden and streamline requirements.

In the proposed rules section of this Federal Register, ATF is also issuing a notice of proposed rulemaking inviting comments on the temporary rule for a 90-day period following the publication date of this temporary rule.

EFFECTIVE DATE: The temporary regulations are effective July 16, 1996.

ADDRESS: Send written comments to: Chief, Regulations Branch, Bureau of Alcohol, Tobacco and Firearms, P.O. Box 50221, Washington, DC 20226-0221.

FOR FURTHER INFORMATION CONTACT: Mary Lou Blake, Regulations Branch, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Ave., NW, Washington, DC 20226; (202-927-8210).

SUPPLEMENTARY INFORMATION:**Background**

Under current regulations, persons who sell firearms or ammunition tax-free must obtain certain exemption certificates or statements to support such sales. Current regulations include suggested forms for each type of statement and certificate. These certificates and statements are now available through the Bureau's Distribution Center. Taxpayers may order these preprinted documents and reproduce them as needed.

Since the forms are available from ATF, there is no need to reproduce them in the regulations. Accordingly, this Treasury Decision removes the text of

the forms from the regulations, but retains all information required for taxpayers who wish to design and use their own certificates or statements.

This temporary rule also includes technical amendments to the regulations in 27 CFR Part 53.

Executive Order 12866

It has been determined that this temporary rule is not a significant regulatory action as defined in E.O. 12866. Therefore, a regulatory assessment is not required.

Administrative Procedure Act

Because this document merely furnishes the taxpayer with an optional method of providing exemption certificates or statements and does not change the existing regulatory requirements, it is found to be impracticable to issue this Treasury decision with notice and public procedure under 5 U.S.C. 553(b), or subject to the effective date limitation in section 553(d).

Regulatory Flexibility Act

It is hereby certified that this regulation will not have a significant economic impact on a substantial number of small entities or impose or otherwise cause an increase in the reporting, recordkeeping or other compliance burdens on a substantial number of small entities. The factual basis for such certification is that this revision does not add any new requirement for reporting or recordkeeping. This revision serves only to clarify and streamline current regulatory requirements. Pursuant to section 7805(f) of the Internal Revenue Code, this proposed regulation has been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Paperwork Reduction Act

The provisions of the Paperwork Reduction Act of 1980, Public Law 96-511, 44 U.S.C. chapter 35, and its implementing regulations, 5 CFR part 1329, do not apply to this regulation because there are no new reporting or recordkeeping requirements.

Drafting Information

The author of this document is Mary Lou Blake, Regulations Branch, Bureau of Alcohol, Tobacco and Firearms.

List of Subjects in 27 CFR Part 53

Administrative practice and procedure, Arms and munitions, Authority delegations, Exports, Imports,

Penalties, Reporting and recordkeeping requirements.

Authority and Issuance

27 CFR Part 53 is amended to read as follows:

PART 53—MANUFACTURERS EXCISE TAXES—FIREARMS AND AMMUNITION

Paragraph 1. The authority citation for 27 CFR Part 53 continues to read as follows:

Authority: 26 U.S.C. 4181, 4182, 4216-4219, 4221-4223, 4225, 6001, 6011, 6020, 6021, 6061, 6071, 6081, 6091, 6101-6104, 6109, 6151, 6155, 6161, 6301-6303, 6311, 6402, 6404, 6416.

Par. 2. Section 53.3 is revised to read as follows:

§ 53.3 Exemption certificates.

Several sections of the regulations in this part, relating to sales exempt from manufacturers excise tax, require the manufacturer to obtain an exemption certificate from the purchaser to substantiate the exempt character of the sale. Any form of exemption certificate will be acceptable if it includes all the information required to be contained in such a certificate by the pertinent sections of the regulations in this part. These certificates are available as preprinted documents which may be ordered from the Bureau's Distribution Center (see § 53.21 for the address of the Distribution Center). The preprinted certificates may be reproduced as needed.

Par. 3. Section 53.131 is amended by revising the third sentence in paragraph (a)(5) to read as follows:

§ 53.131 Tax-free sales; general rule.

(a) * * *

(5) * * * See paragraph (c) of this section for provisions relating to evidence required in support of tax-free sales. * * *

Par. 4. Section 53.132 is amended by revising paragraph (c)(2)(i) and by adding paragraph (c)(2)(iii) to read as follows:

§ 53.132 Tax-free sale of article to be used for, or resold for, further manufacture.

* * *

(c) * * *

(2) * * *

(i) *Certificate of purchaser.* The proof of resale to be received by the

manufacturer, as required under section 4221(b)(1) of the Code, may consist of either a copy of the invoice of the manufacturer's vendee directed to his purchaser which discloses the certificate of registry number held by each party or a statement described in this paragraph. In the case of an invoice of manufacturer's vendee, it must appear from such invoice (or by statement attached thereto) that the article was in fact resold for use in further manufacture. In lieu of such an invoice, proof of resale may consist of a statement, executed and signed by the manufacturer's vendee which includes the following:

- (A) Date statement was executed.
- (B) Name and address of manufacturer's vendee (if other than the person executing statement).
- (C) Certificate of registry number held by vendee.
- (D) Specify article(s) purchased tax-free, by whom purchased, certificate of registry number of second purchaser, date of purchase(s), whether articles were purchased as material in the manufacture or production of, or as a component part or parts of, an article or articles taxable under Chapter 32 of the Code.
- (E) Statement that person executing statement or manufacturer's vendee possesses proof of tax-free resale of the article(s) in the form of purchase orders and sales invoices and identifying the person who will maintain custody of such proof for 3 years from the date of the statement and will make such proof available for inspection by ATF during such 3 year period.
- (F) Statement that a previous statement has not been executed in respect of such certificate of resale and that the person signing the statement is aware that fraudulent use of the statement may subject the person signing the statement and all parties making fraudulent use of the statement to all applicable criminal penalties under the Code.
- (G) Name, signature, and title of individual executing statement.

(ii) * * *

(iii) *ATF I 5600.37.* A preprinted statement, ATF I 5600.37, Statement of Manufacturer's Vendee, is available from the Bureau's Distribution Center which, when completed, contains all necessary information for a properly executed statement. Extra copies of ATF I 5600.37 may be reproduced as needed.

Par. 5. Section 53.133 is amended by revising paragraph (d)(2) and by adding paragraph (d)(4) to read as follows:

§ 53.133 Tax-free sale of article for export, or for resale by the purchaser to a second purchaser for export.

* * * * *

(d) * * *

* * * * *

(2) In any case where the manufacturer is not the exporter, the manufacturer must have in its possession a statement from the vendee to whom the manufacturer sold the article stating the following:

- (i) Date statement was executed.
- (ii) Name and address of manufacturer's vendee (if other than the person executing statement).
- (iii) Certificate of registry number held by vendee.
- (iv) Specify article(s) purchased tax-free, by whom purchased, and date of purchase.
- (v) Statement that article(s) was either exported in due course by the vendee or was sold to another person who in due course exported the article(s).
- (vi) Name and address of vendee who will maintain possession of the proof of exportation documents, description of the documents, and statement that vendee will maintain documents for 3 years and make them available to ATF for inspection.
- (vii) Statement that a previous statement has not been executed in respect of the articles covered by this statement and that fraudulent use of this statement may subject person executing statement and all parties making fraudulent use of statement to all applicable criminal penalties under the Code.

(viii) Name, signature, title, and address of individual executing certificate.

(3) * * *

(4) *ATF I 5600.36.* A preprinted statement, ATF I 5600.36, Statement of Manufacturer's Vendee, is available from the Bureau's Distribution Center which, when completed, contains all necessary information for a properly executed statement. Extra copies of ATF I 5600.36 may be reproduced as needed.

Par. 6. Section 53.134 is amended by revising paragraph (d)(2)(iii) and by adding paragraph (d)(2)(iv) to read as follows:

§ 53.134 Tax-free sale of articles for use by the purchaser as supplies for vessels or aircraft.

* * * * *

(d) * * *

(2) * * *

(iii) *Acceptable form of exemption certificate.* A certificate of exemption to support tax-free sales under this section must include the following:

- (A) Name of owner, charterer, or authorized agent.

(B) Name of company and vessel.

(C) List article(s) covered by the certificate or beginning and ending dates during which orders will be placed (not to exceed 12 calendar quarters).

(D) Statement that articles will be used only for fuel supplies, ships' stores, sea stores, or legitimate equipment on a vessel belonging to one of the class of vessels to which section 4221 of the Code applies. Identify class of vessel certificate covers (see paragraphs (a) and (b) of this section).

(E) If articles are purchased for use on civil aircraft engaged in foreign trade or trade between the United States and any of its possessions, state the country in which the aircraft is registered.

(F) Statement that it is understood that if any articles are used for any purpose other than as stated in the certificate, or are resold or otherwise disposed of, the person executing the certificate must notify the manufacturer.

(G) Statement that the certificate shall not be used to purchase tax-free articles for use as supplies, etc. on pleasure vessels or any type of aircraft except: (1) Civil aircraft employed in foreign trade or trade between the United States and any of its possessions; (2) Aircraft owned by the United States or any foreign country and constituting a part of the armed forces thereof.

(H) Statement that it is understood that any fraudulent use of the certificate may subject person executing certificate and all parties making fraudulent use of the certificate to all applicable criminal penalties under the Code.

(I) Statement that person executing certificate is prepared to establish by satisfactory evidence the purpose for which the article(s) was used.

(J) Date, name, signature, and address of person executing the certificate.

(iv) *ATF I 5600.34.* A preprinted certificate, ATF I 5600.34, Exemption Certificate, is available from the Bureau's Distribution Center which, when completed, contains all necessary information for a properly executed certificate. Extra copies of ATF I 5600.34 may be reproduced as needed.

Par. 7. Section 53.135 is amended by revising paragraph (c)(1) and by adding paragraph (c)(3) to read as follows:

§ 53.135 Tax-free sale of articles to State and local governments for their exclusive use.

* * * * *

(c) * * *

(1) In the case of a State or local government which is registered (see § 53.141 for provisions under which a State or local government may register if it so desires), the provisions of

paragraph (c) of § 53.131 have application as to the evidence required in support of tax-free sales. If a State or local government is not registered, the evidence required in support of a tax-free sale to the State or local government shall, except as provided in paragraph (c)(2) of this section, consist of a certificate, executed and signed by an officer or employee authorized by the State or local government to execute and sign the certificate. If it is impracticable to furnish a separate certificate for each order or contract because of frequency of purchases, a certificate covering all orders between given dates (such period not to exceed 12 calendar quarters) will be acceptable. The certificates and proper records of invoices, orders, etc., relative to tax-free sales must be retained by the manufacturer as provided in § 53.24(d). A certificate of exemption to support tax-free sales under this section must contain the following:

- (i) Title of official executing certificate, branch of government, date executed, and statement that official is authorized to execute certificate.
- (ii) List articles covered by the certificate or beginning and ending dates during which orders will be placed by the purchaser (period not to exceed 12 calendar quarters).
- (iii) Name of manufacturer from which articles purchased.
- (iv) Governmental unit purchasing articles.
- (v) Statement that is understood that articles purchased under this certificate of exemption are limited to use exclusively by the purchasing governmental entity.
- (vi) Statement that is understood that any fraudulent use of this certificate may subject the person executing the certificate and all parties making fraudulent use of the certificate to all applicable criminal penalties under the Code.

(vii) Name, address, and signature of person executing the certificate.

(2) * * *

(3) *ATF I 5600.35*. A preprinted certificate, *ATF I 5600.35*, Exemption Certificate, is available from the Bureau's Distribution Center which, when completed, contains all necessary information for a properly executed certificate. Extra copies of *ATF I 5600.35* may be reproduced as needed.

* * * * *

Par. 8. Section 53.179 is amended by revising paragraph (b)(1)(iii) and by adding paragraph (b)(1)(iv) to read as follows:

§ 53.179 Supporting evidence required in case of manufacturers tax involving exportations, uses, sales, or resales.

* * * * *

(b) * * *

(1) * * *

(iii) Certificate of ultimate vendor.

Any certificate executed and signed by an ultimate vendor as evidence to be retained by the person who paid the tax as provided in paragraph (a)(4) of this section may be executed with respect to any one or more overpayments by the person which arose under section 6416(b)(2) and § 53.178 by reason of exportations, uses, sales or resales, occurring within any period of not more than 12 consecutive calendar quarters, the beginning and ending dates of which are specified in the certificate. A certificate supporting a claim for credit or refund under this section shall contain the following:

(A) Name of ultimate vendor if other than person executing the certificate.

(B) Statement that article(s) was purchased by the ultimate vendor tax-paid and was thereafter exported, used, sold, or resold.

(C) Description of proof which supports exportation or certificate as to use executed by ultimate purchaser.

(D) Statement that ultimate vendor retains such proof for 3 years from the date of the statement and will, upon request, supply such proof at any time within such 3 year period to the taxpayer to establish that credit or refund is due in respect of the article.

(E) Statement that to the best knowledge and belief of the person executing the certificate, no statement in respect of the proof of exportation or certificate has previously been executed and that the person executing the certificate understands that any fraudulent use of the certificate may subject the person executing the certificate or any other party to all applicable criminal penalties under the Code.

(F) Name, title, address and signature of person executing certificate and date signed.

(G) Description of all articles covered by the certificate, with the corresponding vendor's invoice number, date of resale of article, quantity, whether articles were exported or used and the use made of article or to be made of article.

(iv) *ATF I 5600.33*. *ATF I 5600.33*, Statement of Ultimate Vendor, is available from the Bureau's Distribution Center which, when completed, contains all necessary information for a properly executed certificate.

Additional copies may be reproduced as needed.

* * * * *

Signed: May 30, 1996.

Bradley A. Buckles,
Acting Director.

Approved: June 10, 1996.

John P. Simpson,

Deputy Assistant Secretary (Regulatory, Tariff and Trade Enforcement).

[FR Doc. 96-17995 Filed 7-15-96; 8:45 am]

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Fiscal Service

31 CFR Part 356

Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds (Department of the Treasury Circular, Public Debt Series No. 1-93)

AGENCY: Bureau of the Public Debt, Fiscal Service, Treasury.

ACTION: Final rule.

SUMMARY: The Department of the Treasury ("Department") is issuing an amendment to its regulations governing the sale and issue of marketable book-entry Treasury securities (Uniform Offering Circular for the Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds). The amendment defines the term "investment adviser" and contains a new section on bidding through investment advisers. The amendment also makes certain technical and clarifying changes.

EFFECTIVE DATE: The amendment is effective on September 16, 1996.

FOR FURTHER INFORMATION CONTACT: Donald V. Hammond, Assistant Director, Government Securities Regulations Staff, Bureau of the Public Debt (202) 219-3632; or Margaret Marquette, Attorney-Adviser, Office of the Chief Counsel, Bureau of the Public Debt (202) 219-3320.

SUPPLEMENTARY INFORMATION:

I. Background

31 CFR part 356, also referred to as the uniform offering circular, sets out the terms and conditions for the sale and issuance by the Department of the Treasury to the public of marketable book-entry Treasury bills, notes, and bonds. The uniform offering circular was originally published on January 5, 1993 (58 FR 412), as a comprehensive statement of those terms and conditions. Amendments to the circular were published on June 3, 1994 (59 FR 28773), and March 15, 1995 (60 FR 13906). In the time since the rule was