

TREASURY DECISION 3950

TAX ON INITIATION FEES: REFUND OF TAX

Articles 10 and 15 of Regulations 43, Part 2, relating to the Tax on Dues and Initiation Fees (Section 501, Revenue Act of 1926), amended.

TREASURY DEPARTMENT
Office of Commissioner of Internal Revenue
Washington, D. C.

TO COLLECTORS OF INTERNAL REVENUE AND OTHERS CONCERNED:

Article 10 of Regulations 43, Part 2, relating to the tax on dues and initiation fees under the Revenue Act of 1926 is hereby amended by the elimination of the fourth and fifth paragraphs and Example 3 of that Article, and the substitution for the paragraphs eliminated, a paragraph reading as follows:

"The term 'initiation fees,' as used in the statute means the payment of an amount for the purpose of becoming a member of a club and enjoying its privileges, and which when paid is not intended to be returned to the person paying it. The term 'initiation fees' does not include amounts required to be paid by new members for stock, bonds, promissory notes, or certificates representing an interest in the property and assets of the club."

Article 15 is hereby amended to read as follows:

"Article 15—Refunds. Where any club or individual member of a club has paid to a collector of internal revenue as a tax on dues or initiation fees, any amount subsequently determined to have been erroneously or illegally assessed or collected, or any amount in excess of the amount of tax actually imposed for the month covered by that payment, or an amount as a penalty for the collection of which there was no authority, a refund of the amount so paid may be obtained by filing with the office of the collector to whom such payment was made a properly prepared claim on Form 843. (See Secs. 3220 and 3228, R. S., as amended.)

"In any case where a club seeks a refund of an amount collected by it from its members and paid to the collector of internal revenue, a claim on Form 843 must be accompanied by a list of the members who paid such tax showing the amount of tax claimed on behalf of each member, and the date on which the amounts claimed were paid to the collector. There should also accompany the claim for refund a sworn statement of an authorized officer of the club to the effect that no prior claim for refund of any amount involved in such claim has been filed with the Bureau by or on behalf of any member, and that in the event a claim is filed by an individual member subsequent to the presentation of the claim filed by the club, the club will assume the liability and satisfy the claim of the individual member to the amount refunded to the club on his behalf.

"In any case where an amount was assessed by the Commissioner against the individual member and by him paid direct to the collector, a claim must be filed on Form 843 by such individual member for a refund of the amount alleged to have been erroneously assessed and paid, accompanied by proper evidence of such payment."

APPROVED: December 23, 1926.
GARRARD B. WINSTON,
Acting Secretary of the Treasury.

D. H. BLAIR,
Commissioner of Internal Revenue.

Annual Green Section Meeting

The Annual Meeting of the Green Section of the United States Golf Association was held in Pittsburgh this year at the Pittsburgh Athletic Association on January 7th and 8th, and the following program conducted by Mr. Findlay S. Douglas, as Chairman. Mr. Douglas is also Vice-President of the U. S. G. A.:

Friday, January 7, 1927, 10.00 A. M.

ROLL CALL

- Report of Chairman of the Green Section Committee..... Mr. Rodman E. Griscom, Philadelphia, Pa.
Annual Report of Chairman of Green Section..... Mr. H. L. Westover, Washington, D. C.

BUSINESS MEETING

- A Brief Review of the Activities and Accomplishments of the Green Section..... Mr. O. B. Fitts, Washington, D. C.
Additional Experiments in Grub Proofing of Turf..... Mr. B. R. Leach, Riverton, N. J.