

manner as may be prescribed by the Secretary, who shall have power to issue such regulations to customs officers as are necessary to the enforcement of this subsection. (Apr. 9, 1912, c. 75, § 11, 37 Stat. 83.)

(e) **Fraud.** Every manufacturer of white phosphorus matches who defrauds or attempts to defraud the United States of the tax imposed by this chapter, or any part thereof, shall forfeit the factory and manufacturing apparatus used by him and all the white phosphorus matches and all raw material for the production of white phosphorus matches found in the factory and on the factory premises, or owned by him. (Apr. 9, 1912, c. 75, § 7, 37 Stat. 82.)

(f) **Offenses not specifically covered.** If any manufacturer of white phosphorus matches, or any importer or exporter of matches, shall omit, neglect, or refuse to do or cause to be done any of the things required by law in carrying on or conducting his business, or shall do anything by this chapter prohibited, all the white phosphorus matches owned by him or in which he has any interest as owner shall be forfeited to the United States. (Apr. 9, 1912, c. 75, § 13, 37 Stat. 83.)

§ 1078. **Recovery of penalties and forfeitures.** All fines penalties, and forfeitures imposed by this chapter may be recovered in any court of competent jurisdiction. (Apr. 9, 1912, c. 75, § 14, 37 Stat. 83.)

§ 1079. **Other laws applicable.** (a) All the provisions and penalties of law governing the engraving, issuing, sale, affixing, cancellation, accountability, effacement, destruction, and forgery of stamps provided for internal revenue shall apply to stamps provided for by this chapter. (Apr. 9, 1912, c. 75, § 8, 37 Stat. 82.)

(b) The sections enumerated below, and all other provisions and penalties of law relating to internal revenue, so far as applicable, shall extend to and include and apply to the taxes imposed by this chapter and to the articles upon which and to the persons upon whom they are imposed:

Chapter 1	1433	1549	Chapter 25
55 (f)	1440-1444	1560-1569	1691 (a) (2)
Chapter 6	Chapter 21	1580-1587	1692
803 (a) (2)	1500-1502	1600-1606	1693 (a)
812 (a) (2)	1511-1513	1611-1613	1694
861 (m)	1515	1615-1616	Chapter 28
897 (a)	1516	1620 (a) (b)	1740
Chapter 18	1520	1621	1741
1155 (f) (h)			
1156	1522 (a) (1)	1622-1625	1753 (a) (b)
1275 (b)	1524	1640	1760
1333 (a)	Chapter 22	1641	1761 (a) (b)
1337 (e)	1530-1533	1643-1645	1765
1348	Chapter 23	1647	Chapter 33
Chapter 20	1541 (a) (1)	1661	1823
1420 (a) (b)	(b)	Chapter 24	1828 (a) (1)
1421	1542	1670 (a) (1)	(b)
1422	1543	1672	
1430	1545	1676	

(Apr. 9, 1912, c. 75, § 16, 37 Stat. 83.)

Chapter 14.—COTTON FUTURES

Sec.

1090. Tax.

- (a) Rate.
- (b) By whom paid.
- (c) How paid.

1091. Exemption of spot cotton.

1092. Exemption of basis grade contracts.

- (a) Conditions.
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 - (2) Specification of grade, price, dates of sale and settlement.
 - (3) Provision for delivery of standard grades only.
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- (b) Incorporation of conditions in contracts.
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Sec.

1093. Exemption of tendered grade contracts.

- (a) Conditions.
 - (1) Compliance with section 1092.
 - (2) Provision for contingent specific performance.
- (b) Incorporation of conditions in contract.
- (c) Application of section.

1094. Exemption of specific grade contracts.

- (a) Conditions.
 - (1) Conformity with rules and regulations.
 - (2) Specification of grade, price, dates of sale and delivery.
 - (3) Prohibition of delivery of other than specified grade.
 - (4) Provision for specific performance.
- (b) Incorporation of conditions in contract.
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1095. Form and validity of contracts.

- (a) Form.
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1097. Bona fide spot markets.

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1099. Penalties.

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 - (1) Nonpayment or evasion of tax.
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1100. Immunity of witnesses.

1101. Definitions.

- (a) Contract of sale.
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1102. Liability of principal for acts of agent.

1103. Reports of Secretary of Agriculture.

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1105. Operation of State laws.

1106. Short title.

Authority of the Commissioner to make regulations for the carrying into effect of this chapter, see section 1691 (a) (1).

Section 1090. Tax—(a) Rate. Upon each contract of sale of any cotton for future delivery made at, on, or in any exchange, board of trade, or similar institution or place of business, there shall be levied a tax in the nature of an excise of 2 cents for each pound of the cotton involved in any such contract. (Aug. 11, 1916, c. 313, § 3, 39 Stat. 476.)

(b) **By whom paid.** The tax imposed by subsection (a) shall be paid by the seller of the cotton involved in the contract of sale. (Aug. 11, 1916, c. 313, § 11, 39 Stat. 480.)

(c) **How paid.** The tax imposed by subsection (a) shall be paid by means of stamps which shall be affixed to such contracts, or to the memoranda evidencing the same, and canceled in compliance with rules and regulations which shall be prescribed by the Secretary of the Treasury. (Aug. 11, 1916, c. 313, § 11, 39 Stat. 480.)

Authority of the Secretary of the Treasury to promulgate rules and regulations for collection of the tax, see section 1098.

§ 1091. **Exemption of spot cotton.** This chapter shall not be construed to impose a tax on any sale of spot cotton. (Aug. 11, 1916, c. 313, § 10, 39 Stat. 480.)

§ 1092. **Exemption of basis grade contracts—(a) Conditions.** No tax shall be levied under this chapter on any contract of sale mentioned in section 1090 (a) if the contract comply with each of the following conditions:

(1) **Conformity with section 1095 (a) and regulations.** Conform to the requirements of section 1095 (a) of, and the rules and regulations made pursuant to, this chapter. (Aug. 11, 1916, c. 313, § 5 First, 39 Stat. 476.)

(2) **Specification of grade, price, dates of sale, and settlement.** Specify the basis grade for the cotton involved in the contract, which shall be one of the grades for which standards are established by the Secretary of Agriculture, except grades prohibited from being delivered on a contract made under this section by the fifth paragraph of this subsection, the price per pound at which the cotton of such basis grade is con-

tracted to be bought or sold, the date when the purchase or sale was made, and the month or months in which the contract is to be fulfilled or settled: *Provided*, That middling shall be deemed the basis grade incorporated into the contract if no other basis grade be specified either in the contract or in the memorandum evidencing the same. (Aug. 11, 1916, c. 313, § 5 Second, 39 Stat. 476-477.)

(3) **Provision for delivery of standard grades only.** Provide that the cotton dealt with therein or delivered thereunder shall be of or within the grades for which standards are established by the Secretary of Agriculture except grades prohibited from being delivered on a contract made under this section by the fifth paragraph of this subsection and no other grade or grades. (Aug. 11, 1916, c. 313, § 5 Third, 39 Stat. 477.)

(4) **Provision for settlement on basis of actual commercial differences.** Provide that in case cotton of grade other than the basis grade be tendered or delivered in settlement of such contract, the differences above or below the contract price which the receiver shall pay for such grades other than the basis grade shall be the actual commercial differences, determined as hereinafter provided. (Aug. 11, 1916, c. 313, § 5 Fourth, 39 Stat. 477.)

(5) **Prohibition of delivery of inferior cotton.** Provide that cotton that, because of the presence of extraneous matter of any character or irregularities or defects, is reduced in value below that of low middling, or cotton that is below the grade of low middling, or, if tinged, cotton that is below the grade of strict middling, or, if yellow stained, cotton that is below the grade of good middling, the grades mentioned being of the official cotton standards of the United States, or cotton that is less than seven-eighths of an inch in length of staple, or cotton of perished staple, or of immature staple, or cotton that is "gin cut" or reginned, or cotton that is "repacked" or "false packed" or "mixed packed" or "water packed", shall not be delivered on, under, or in settlement of such contract. (Aug. 11, 1916, c. 313, § 5 Fifth, 39 Stat. 477; Mar. 4, 1919, c. 125, § 6, 40 Stat. 1351; May 31, 1920, c. 217, § 1, 41 Stat. 725.)

(6) **Provisions for tender in full, notice of delivery date, and certificate of grade.** Provide that all tenders of cotton under such contract shall be the full number of bales involved therein, except that such variations of the number of bales may be permitted as is necessary to bring the total weight of the cotton tendered within the provisions of the contract as to weight; that, on the fifth business day prior to delivery, the person making the tender shall give to the person receiving the same written notice of the date of delivery, and that, on or prior to the date so fixed for delivery, and in advance of final settlement of the contract, the person making the tender shall furnish to the person receiving the same a written notice or certificate stating the grade of each individual bale to be delivered and, by means of marks or numbers, identifying each bale with its grade. (Aug. 11, 1916, c. 313, § 5 Sixth, 39 Stat. 477.)

(7) **Provision for tender and settlement in accordance with Government classification.** Provide that all tenders of cotton and settlements therefor under such contract shall be in accordance with the classification thereof made under the regulations of the Secretary of Agriculture by such officer or officers of the Government as shall be designated for the purpose, and the costs of such classification shall be fixed, assessed, collected, and paid as provided in such regulations. All moneys collected as such costs may be used as a revolving fund for carrying out the purposes of this paragraph. The Secretary of Agriculture is authorized to prescribe regulations for carrying out the purposes of this paragraph, and the certificates of the officers of the Government as to the classification of any cotton for the purposes of this paragraph, shall be accepted in the courts of the United States in all suits between the parties to such contract, or their privies, as prima facie evidence of the true classification of the cotton involved. (Aug. 11, 1916, c. 313,

§ 5 Seventh, 39 Stat. 477; Mar. 4, 1919, c. 125, § 6, 40 Stat. 1352; May 31, 1920, c. 217, § 1, 41 Stat. 725.)

(b) **Incorporation of conditions in contracts.** The provisions of the third, fourth, fifth, sixth, and seventh paragraphs of subsection (a) shall be deemed fully incorporated into any such contract if there be written or printed thereon, or on the memoranda evidencing the same, at or prior to the time the same is signed, the phrase "subject to United States cotton futures Act, section 1092." (Aug. 11, 1916, c. 313, § 5, 39 Stat. 477.)

(c) **Delivery allowances.** For the purposes of this section the differences above or below the contract price which the receiver shall pay for cotton of grades above or below the basis grade in the settlement of a contract of sale for the future delivery of cotton shall be determined by the actual commercial differences in value thereof upon the sixth business day prior to the day fixed, in accordance with the sixth paragraph of subsection (a), for the delivery of cotton on the contract, established by the sale of spot cotton in the spot markets of not less than five places designated for the purpose from time to time by the Secretary of Agriculture, as such values were established by the sales of spot cotton, in such designated five or more markets: *Provided*, That for the purpose of this subsection such values in the said spot markets be based upon the standards for grades of cotton established by the Secretary of Agriculture: *And provided further*, That whenever the value of one grade is to be determined from the sale or sales of spot cotton of another grade or grades, such value shall be fixed in accordance with rules and regulations which shall be prescribed for the purpose by the Secretary of Agriculture. (Aug. 11, 1916, c. 313, § 6, 39 Stat. 478; Feb. 26, 1927, c. 219, 44 Stat. 1248.)

§ 1093. **Exemption of tendered grade contracts—**

(a) **Conditions.** No tax shall be levied under this chapter on any contract of sale mentioned in section 1090 (a) if the contract—

(1) **Compliance with section 1092.** Comply with all the terms and conditions of section 1092 not inconsistent with this section; and

(2) **Provision for contingent specific performance.** Provide that, in case of cotton of grade or grades other than the basis grade specified in the contract shall be tendered in performance of the contract, the parties to such contract may agree, at the time of the tender, as to the price of the grade or grades so tendered, and that if they shall not then agree as to such price, then, and in that event, the buyer of said contract shall have the right to demand the specific fulfillment of such contract by the actual delivery of cotton of the basis grade named therein and at the price specified for such basis grade in said contract. (Aug. 11, 1916, c. 313, § 6 A, 39 Stat. 478.)

(b) **Incorporation of conditions in contract.** Contracts made in compliance with this section shall be known as "Section Six A Contracts." The provisions of this section shall be deemed fully incorporated into any such contract if there be written or printed thereon, or on the memorandum evidencing the same, at or prior to the time the same is signed, the phrase "subject to United States cotton futures Act, section Six A." (Aug. 11, 1916, c. 313, § 6 A, 39 Stat. 478.)

(c) **Application of section.** Nothing in this section shall be so construed as to relieve from the tax levied by section 1090 (a) of this chapter any contract in which or in the settlement of or in respect to which any device or arrangement whatever is resorted to, or any agreement is made, for the determination or adjustment of the price of the grade or grades tendered other than the basis grade specified in the contract by any "fixed difference" system, or by arbitration, or by any other method not provided for by this chapter. (Aug. 11, 1916, c. 313, § 6 A, 39 Stat. 478.)

§ 1094. **Exemption of specific grade contracts—**

(a) **Conditions.** No tax shall be levied under this chapter on any contract of sale mentioned in section

1090 (a) if the contract comply with each of the following conditions:

(1) **Conformity with rules and regulations.** Conform to the rules and regulations made pursuant to this chapter. (Aug. 11, 1916, c. 313, § 10 First, 39 Stat. 479.)

(2) **Specification of grade, price, dates of sale, and delivery.** Specify the grade, type, sample, or description of the cotton involved in the contract, the price per pound at which such cotton is contracted to be bought or sold, the date of the purchase or sale, and the time when shipment or delivery of such cotton is to be made. (Aug. 11, 1916, c. 313, § 10 Second, 39 Stat. 479.)

(3) **Prohibition of delivery of other than specified grade.** Provide that cotton of or within the grade or of the type, or according to the sample or description, specified in the contract shall be delivered thereunder, and that no cotton which does not conform to the type, sample, or description, or which is not of or within the grade specified in the contract shall be tendered or delivered thereunder. (Aug. 11, 1916, c. 313, § 10 Third, 39 Stat. 480.)

(4) **Provision for specific performance.** Provide that the delivery of cotton under the contract shall not be effected by means of "set-off" or "ring" settlement, but only by the actual transfer of the specified cotton mentioned in the contract. (Aug. 11, 1916, c. 313, § 10 Fourth, 39 Stat. 480.)

(b) **Incorporation of conditions in contract.** The provisions of the first, third, and fourth paragraphs of subsection (a) shall be deemed fully incorporated into any such contract if there be written or printed thereon, or on the document or memorandum evidencing the same, at or prior to the time the same is entered into, the words "Subject to United States cotton futures Act, section 1094." (Aug. 11, 1916, c. 313, § 10, 39 Stat. 480.)

(c) **Application of section.** This section shall not be construed to apply to any contract of sale made in compliance with section 1093. (Aug. 11, 1916, c. 313, §§ 6 A, 10, 39 Stat. 478, 480.)

§ 1095. **Form and validity of contracts—(a) Form.** Each contract of sale of cotton for future delivery mentioned in section 1090 (a) of this chapter shall be in writing plainly stating, or evidenced by written memorandum showing, the terms of such contract, including the quantity of the cotton involved and the names and addresses of the seller and buyer in such contract, and shall be signed by the party to be charged, or by his agent in his behalf. If the contract or memorandum specify in bales the quantity of the cotton involved, without giving the weight, each bale shall, for the purposes of this chapter, be deemed to weigh five hundred pounds. (Aug. 11, 1916, c. 313, § 4, 39 Stat. 476.)

(b) **Validity.** No contract of sale of cotton for future delivery mentioned in section 1090 (a) of this chapter, which does not conform to the requirements of subsection (a) and has not the necessary stamps affixed thereto as required by section 1090 (c) shall be enforceable in any court of the United States by, or on behalf of, any party to such contract or his privies. (Aug. 11, 1916, c. 313, § 12, 39 Stat. 480.)

§ 1096. **Cotton standards—(a) Source and description.** Subject to the provisions of section 56 of Title 7, the Secretary of Agriculture is authorized, from time to time, to establish and promulgate standards of cotton by which its quality or value may be judged or determined, including its grade, length of staple, strength of staple, color, and such other qualities, properties, and conditions as may be standardized in practical form, which, for the purposes of this chapter shall be known as the "Official cotton standards of the United States": *Provided*, That any standard of any cotton established and promulgated under this chapter by the Secretary of Agriculture shall not be changed or replaced within a period

less than one year from and after the date of the promulgation thereof by the Secretary of Agriculture: *Provided further*, That no change or replacement of any standard of any cotton established and promulgated under this chapter by the Secretary of Agriculture shall become effective until after one year's public notice thereof, which notice shall specify the date when same is to become effective. (Aug. 11, 1916, c. 313, § 9, 39 Stat. 479.)

(b) **Practical forms—(1) Preparation, certification and distribution.** The Secretary of Agriculture is authorized and directed to prepare practical forms of the official cotton standards which shall be established by him, and to furnish such practical forms from time to time, upon request, to any person, the cost thereof, as determined by the Secretary of Agriculture, to be paid by the person requesting the same, and to certify such practical forms under the seal of the Department of Agriculture and under the signature of the said Secretary, thereto affixed by himself or by some official or employee of the Department of Agriculture thereunto duly authorized by the said Secretary. (Aug. 11, 1916, c. 313, § 9, 39 Stat. 479.)

(2) **Disposition of receipts from sales.** All sums collected by the Secretary of Agriculture for furnishing practical forms under paragraph (1) shall be deposited and covered into the Treasury as miscellaneous receipts. (Aug. 11, 1916, c. 313, § 19, 39 Stat. 481.)

§ 1097. **Bona fide spot markets—(a) Definition.** For the purposes of this chapter the only markets which shall be considered bona fide spot markets shall be those which the Secretary of Agriculture shall, from time to time, after investigation, determine and designate to be such, and of which he shall give public notice. (Aug. 11, 1916, c. 313, § 7, 39 Stat. 478.)

(b) **Determination.** In determining, pursuant to the provisions of this chapter, what markets are bona fide spot markets, the Secretary of Agriculture is directed to consider only markets in which spot cotton is sold in such volume and under such conditions as customarily to reflect accurately the value of middling cotton and the differences between the prices or values of middling cotton and of other grades of cotton for which standards shall have been established by the Secretary of Agriculture: *Provided*, That if there be not sufficient places, in the markets of which are made bona fide sales of spot cotton of grades for which standards are established by the Secretary of Agriculture, to enable him to designate at least five spot markets in accordance with section 1092 (c) of this chapter, he shall, from data as to spot sales collected by him, make rules and regulations for determining the actual commercial differences in the value of spot cotton of the grades established by him as reflected by bona fide sales of spot cotton, of the same or different grades, in the markets selected and designated by him, from time to time, for that purpose, and in that event, differences in value of cotton of various grades involved in contracts made pursuant to section 1092 (a) shall be determined in compliance with such rules and regulations: *Provided further*, That it shall be the duty of any person engaged in the business of dealing in cotton, when requested by the Secretary of Agriculture or any agent acting under his instructions, to answer correctly to the best of his knowledge, under oath or otherwise, all questions touching his knowledge of the number of bales, the classification, the price or bona fide price offered, and other terms of purchase or sale, of any cotton involved in any transaction participated in by him, or to produce all books, letters, papers, or documents in his possession or under his control relating to such matter. (Aug. 11, 1916, c. 313, § 8, 39 Stat. 479); Mar. 4, 1919, c. 125, § 6, 40 Stat. 1352.)

§ 1098. **Collection and enforcement—(a) Rules and regulations.** The Secretary of the Treasury is authorized to make and promulgate such rules and regulations as he may deem necessary to collect the tax imposed by this chapter and otherwise to enforce

its provisions. (Aug. 11, 1916, c. 313, § 13, 39 Stat. 480.)

(b) **Records and returns.** Further to effect the purpose of subsection (a), the Secretary shall require all persons coming within its provisions to keep such records and statements of account, and may require such persons to make such returns verified under oath or otherwise, as will fully and correctly disclose all transactions mentioned in section 1090 (a) of this chapter, including the making, execution, settlement, and fulfillment thereof; he may require all persons who act in the capacity of a clearing house, clearing association, or similar institution for the purpose of clearing, settling, or adjusting transactions mentioned in section 1090 (a) of this chapter to keep such records and to make such returns as will fully and correctly disclose all facts in their possession relating to such transactions; and

(c) **Employment of agents.** He may appoint agents to conduct the inspection necessary to collect said tax and otherwise to enforce this chapter and all rules and regulations made by him in pursuance hereof, and may fix the compensation of such agents. (Aug. 11, 1916, c. 313, § 13, 39 Stat. 480.)

§ 1099. **Penalties — (a) In general — (1) Nonpayment or evasion of tax.** Any person liable to the payment of any tax imposed by this chapter who fails to pay, or evades, or attempts to evade the payment of such tax; and

(2) **Other violations.** Any person who otherwise violates any provision of this chapter, or any rule or regulation made in pursuance hereof, upon conviction thereof, shall be fined not less than \$100 nor more than \$20,000, in the discretion of the court; and, in case of natural persons, may, in addition, be punished by imprisonment for not less than sixty days nor more than three years, in the discretion of the court. (Aug. 11, 1916, c. 313, § 14, 39 Stat. 480; Mar. 4, 1909, c. 321, § 335, 35 Stat. 1152; Dec. 16, 1930, c. 15, 46 Stat. 1029.)

(b) **Additional.** In addition to the foregoing punishment there shall be imposed, on account of each violation of this chapter, a penalty of \$2,000, to be recovered in an action founded on this chapter in the name of the United States as plaintiff, and when so recovered one-half of said amount shall be paid over to the person giving the information upon which such recovery was based. It shall be the duty of the United States attorneys, to whom satisfactory evidence of violations of this chapter is furnished, to institute and prosecute actions for the recovery of the penalties prescribed by this subsection. (Aug. 11, 1916, c. 313, § 15, 39 Stat. 481.)

(c) **Withholding information.** Any person engaged in the business of dealing in cotton who shall, within a reasonable time prescribed by the Secretary of Agriculture or any agent acting under his instructions, willfully fail or refuse to answer questions or to produce books, letters, papers, or documents, as required under section 1097 (b), or who shall willfully give any answer that is false or misleading, shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding \$500. (Aug. 11, 1916, c. 313, § 8, 39 Stat. 479; Mar. 4, 1919, c. 125, § 6, 40 Stat. 1352; May 31, 1920, c. 217, § 1, 41 Stat. 725.)

§ 1100. **Immunity of witnesses.** No person whose evidence is deemed material by the officer prosecuting on behalf of the United States in any case brought under any provision of this chapter shall withhold his testimony because of complicity by him in any violation of this chapter or of any regulation made pursuant to this chapter, but any such person called by such officer who testifies in such case shall be exempt from prosecution for any offense to which his testimony relates. (Aug. 11, 1916, c. 313, § 16, 39 Stat. 481.)

§ 1101. **Definitions—(a) Contract of sale.** For the purposes of this chapter the term "contract of sale" shall be held to include sales, agreements of sale, and

agreements to sell. (Aug. 11, 1916, c. 313, § 2, 39 Stat. 476.)

(b) **Person.** The word "person", wherever used in this chapter, shall be construed to import the plural or singular, as the case demands, and shall include individuals, associations, partnerships, and corporations. (Aug. 11, 1916, c. 313, § 2, 39 Stat. 476.)

§ 1102. **Liability of principal for acts of agent.** When construing and enforcing the provisions of this chapter, the act, omission, or failure of any official, agent, or other person acting for or employed by any association, partnership, or corporation within the scope of his employment or office, shall, in every case, also be deemed the act, omission, or failure of such association, partnership, or corporation as well as that of the person. (Aug. 11, 1916, c. 313, § 2, 39 Stat. 476.)

§ 1103. **Reports of Secretary of Agriculture.** The Secretary of Agriculture is directed to publish from time to time the results of investigations made in pursuance of this chapter. (Aug. 11, 1916, c. 313, § 19, 39 Stat. 481.)

§ 1104. **Other laws applicable.** The provisions of the internal revenue laws of the United States, so far as applicable, including section 1515 shall be extended, and made to apply, to this chapter. (Aug. 11, 1916, c. 313, § 13, 39 Stat. 480.)

§ 1105. **Operation of State laws.** The payment of any tax levied by this chapter shall not exempt any person from any penalty or punishment provided by the laws of any State for entering into contracts of sale of cotton for future delivery, nor shall the payment of any tax imposed by this chapter be held to prohibit any State or municipality from imposing a tax on the same transaction. (Aug. 11, 1916, c. 313, § 17, 39 Stat. 481.)

§ 1106. **Short title.** This chapter shall be known by the short title of the "United States cotton futures act." (Aug. 11, 1916, c. 313, § 1, 39 Stat. 476.)

Chapter 15.—PISTOLS AND REVOLVERS

Sec.

- | | |
|------------|---------------------------------------------------------------|
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Section 1120. Tax—(a) Rate. There shall be levied, assessed, collected, and paid upon pistols and revolvers sold or leased by the manufacturer, producer, or importer, a tax equivalent to 10% of the price for which so sold or leased.

See section 1132n of this title.

(b) **Exemption.** Pistols and revolvers sold for the use of the United States, any State, Territory, or possession of the United States, any political subdivision thereof, or the District of Columbia, shall be exempt from the tax imposed by subsection (a). (Feb. 26, 1926, c. 27, § 600, 44 Stat. 93.)

Exemption from tax in case of exportation, see section 1125.
Computation of tax in case of retail sales by wholesalers and in case of colorable sales, see section 1124.

§ 1121. **Returns.** Every person liable for the tax imposed by section 1120 (a) shall make monthly returns under oath in duplicate to the collector for the district in which is located the principal place of business. Such returns shall contain such information and be made at such times and in such manner as the Commissioner, with the approval of the Secretary, may by regulations prescribe. (Feb. 26, 1926, c. 27, § 602, 44 Stat. 94.)