

§ 49.4263-2

26 CFR Ch. I (4-1-01 Edition)

§ 49.4263-2 Charges not exceeding 60 cents.

(a) *In general.* The tax imposed by section 4261 does not apply to transportation payments of 60 cents or less.

(b) *Round trips.* The exemption is determined by the amount paid for a single one-way trip. Thus, an amount of more than 60 cents paid for round-trip transportation is exempt from the tax, if the regular one-way single fare of like class between the terminal points of the round trip does not exceed 60 cents.

(c) *Charters.* An amount paid for the charter of a car, train, motor vehicle, aircraft, or boat with respect to transportation beginning before November 16, 1962, or of an aircraft with respect to transportation beginning after November 15, 1962, is exempt from the tax, if the payment represents a per capita charge of sixty cents or less for each person actually transported.

(d) *Seating or sleeping accommodations.* Any amount paid for seating or sleeping accommodations is not subject to tax under section 4261(c) where the amount of the related payment for transportation is 60 cents or less. However, where the payment for transportation exceeds 60 cents, a payment for seating or sleeping accommodations in connection with such transportation is subject to the tax regardless of the amount thereof.

[T.D. 6430, 24 FR 9665, Dec. 3, 1959. Redesignated by T.D. 6618, 27 FR 11225, Nov. 14, 1962]

§ 49.4263-3 Transportation furnished to certain organizations.

(a) *The American National Red Cross.* The tax imposed by section 4261 does not apply to amounts paid for transportation or facilities furnished to any corporation created by act of Congress to act in matters of relief under the treaty of Geneva of August 22, 1864 (The American National Red Cross).

(b) *International organizations.* The tax imposed by section 4261 does not apply to amounts paid for transportation or facilities furnished to an international organization. See section 7701(a) (18) for the definition of "international organization". An international organization is designated as such by the President through an Executive order or orders. When an organi-

zation has been designated by the President as entitled to enjoy the privileges, exemptions and immunities conferred by the International Organizations Immunities Act, or part thereof, including exemption from the tax, the exemption applies to amounts so paid unless the President otherwise provides. The exemption is subject to withdrawal or revocation by the President. In case of withdrawal or revocation, unless otherwise provided by the President, the exemption is inapplicable to payments on or after the date of issuance of the order of withdrawal or the date of revocation.

(c) *Evidence of right to exemption.* The right to exemption under section 4263(b) (and under former section 4263(d)) shall be established by the use of exemption certificate, Form 731. See section 4292 and the regulations thereunder for the rules applicable when the right to exemption is evidenced by exemption certificates.

[T.D. 6430, 24 FR 9665, Dec. 3, 1959. Redesignated by T.D. 6618, 27 FR 11225, Nov. 14, 1962]

§ 49.4263-4 Members of the armed forces.

The tax imposed by section 4261 does not apply to amounts paid for transportation or for seating or sleeping accommodations furnished under special tariffs providing for fares of not more than 2.5 cents per mile applicable to round-trip tickets sold to personnel of the United States Army, Air Force, Navy, Marine Corps, and Coast Guard, including authorized cadets and midshipmen, traveling in uniform of the United States at their own expense when on official leave, furlough, or pass. A person claiming exemption under this section will be required to exhibit to the agent of the carrier a properly executed certificate to show that he is traveling on official leave, furlough, or pass, but the submission of an exemption certificate on Form 731 is not necessary in such case.

[T.D. 6430, 24 FR 9665, Dec. 3, 1959. Redesignated by T.D. 6618, 27 FR 11226, Nov. 14, 1962]

§ 49.4263-5 Small aircraft on nonestablished lines.

(a) *In general.* Amounts paid for the transportation of persons on a small aircraft of the type sometimes referred

to as "air taxis" shall be exempt from the tax imposed under section 4261 provided the aircraft (1) has a gross take-off weight of less than 12,500 pounds determined as provided in paragraph (b) of this section and (2) has a passenger seating capacity of less than 10 adult passengers, including the pilot. The exemption does not apply, however, if the aircraft is operated on an established line.

(b) *Determination of gross take-off weight.* The term "gross take-off weight of less than 12,500 pounds" means a maximum certificated take-off weight of less than 12,500 pounds. This shall be based on the maximum certificated take-off weight shown in the aircraft operating record or aircraft flight manual which is part of the air worthiness certificate issued by the Federal Aviation Administration.

(c) *Established line.* The term "operated on an established line" means operated with some degree of regularity between definite points. It does not necessarily mean that strict regularity of schedule is maintained; that the full run is always made; that a particular route is followed; or that intermediate stops are restricted. The term implies that the person rendering the service maintains and exercises control over the direction, route, time, number of passengers carried, etc.

[T.D. 6430, 24 FR 9665, Dec. 3, 1959. Redesignated by T.D. 6618, 27 FR 11226, Nov. 14, 1962]

§ 49.4263-6 Exemptions applicable with respect to transportation beginning before November 16, 1962.

Section 5(b) of the Tax Rate Extension Act of 1962 repealed the exemptions contained in former section 4263(b) for motor vehicles with seating capacity of less than ten and in former section 4263(c) for fishing trips by boat effective with respect to transportation beginning after November 15, 1962. With respect to transportation which began before November 16, 1962, the tax imposed by section 4261 does not apply with respect to any amount paid for transportation.

(a) By a motor vehicle having a seating capacity of less than ten adult passengers, including the driver, unless such vehicle is operated on an established line, or

(b) By boat where the transportation is for the purpose of fishing from such boat.

In the case of the exemption with respect to a motor vehicle having a seating capacity of less than ten adult passengers, the terms "operated on an established line" means operated with some degree of regularity between definite points. It does not necessarily mean that strict regularity of schedule is maintained; that the full run is always made; that a particular route is followed; or that intermediate stops are restricted. The term implies that the person rendering the service maintains and exercises control over the direction, route, time, number of passengers carried, etc.

[T.D. 6618, 27 FR 11226, Nov. 14, 1962]

§ 49.4264(a)-1 Duty to collect the tax; payments made outside the United States.

Where payment is made outside the United States for a prepaid order, exchange order, or similar order for transportation which begins and ends in the United States or for seating or sleeping accommodations in connection therewith, the person furnishing the initial transportation pursuant to such order shall collect all the tax applicable to such transportation or accommodations. See section 4291 and the regulation thereunder for cases where persons receiving payment must collect the tax.

§ 49.4264(b)-1 Duty to collect the tax in the case of certain refunds.

(a) *Special rule for collection of tax.* Section 4264(b) provides a special rule for the collection of the tax where an unused ticket or order (or portion thereof) purchased without payment of tax is presented for refund and, as a result of the use of only a portion of the transportation purchased in connection with such ticket or order, liability for payment of tax has been incurred. In such a case, the person making the refund shall deduct the amount of the tax due, to the extent available, from the amount which would otherwise be refundable. If the redemption value of the unused ticket or order (or portion thereof) is less than the amount of the tax due on the amount paid for the