

§ 43.4472-1

26 CFR Ch. I (4-1-02 Edition)

(b) *By whom paid.* The tax is imposed on the person providing the covered voyage (the operator of the vessel).

[T.D. 8314, 55 FR 41520, Oct. 12, 1990. Redesignated by T.D. 8422, 57 FR 33636, July 30, 1992]

§ 43.4472-1 Definitions.

(a) *In general.* For definitions of the terms “covered voyage” and “passenger vessel,” see sections 4472 (1) and (2).

(b) *Voyage.* For purposes of this section, “voyage” means a journey of a vessel that includes the outward and homeward trips or passages. The voyage commences when the vessel begins to load passengers and continues during the entire ensuing period until the vessel has made one outward and one homeward passage (including intermediate passages, if made). A voyage may be a covered voyage with respect to a passenger even if the passenger does not make both an outward and homeward passage or if the point of first embarkation or disembarkation by the passenger in the United States is an intermediate stop of the vessel.

(c) *Over 1 or more nights.* A voyage is considered to extend over 1 or more nights if it extends for more than 24 hours.

(d) *Engaged in gambling.* A passenger is engaged in gambling aboard a vessel if that person is participating as a player in any policy game or other lottery, or any other game of chance, for money or other thing of value, provided that the policy game, other lottery, or game of chance is conducted, sponsored, or operated by the owner or operator of the vessel, as either principal or agent, or by an employee, agent, or franchisee of the owner or operator of the vessel. A passenger is not engaged in gambling aboard a vessel if the passenger participates with other passengers in a casual, “friendly” game of chance that is not conducted, sponsored, or operated by the owner or operator of the vessel or by an employee, agent, or franchisee of the owner or operator.

(e) *Territorial waters.* For purposes of sections 4471 and 4472, the territorial waters of the United States are those waters within the international boundary line between the United States and

any contiguous foreign country or within 3 nautical miles (3.45 statute miles) from low tide on the coastline. No inference is intended as to the extent of the territorial limits for other tax purposes.

(f) *Passenger.* For purposes of sections 4471 and 4472, “passenger” means an individual carried on the vessel except—

(1) The Master; or

(2) A crew member or other individual engaged in the business of the vessel or its owners. A person is engaged in the business of the vessel or its owners if the person is an employee of the vessel or her owners or has a duty, contractual or otherwise, to perform on the vessel on behalf of the vessel or its owners. For example, a person engaged as an entertainer, instructor, or lecturer for the benefit of the passengers is not a passenger, but a person on a promotional trip such as a travel agent or contest winner is a passenger even though the vessel or its owners may derive some future benefit from the promotion.

[T.D. 8422, 57 FR 33636, July 30, 1992; 57 FR 45713, Oct. 5, 1992]

**PART 44—TAXES ON WAGERING;
EFFECTIVE JANUARY 1, 1955**

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