

Example (2). A Canadian citizen employed in Detroit, Michigan, telephones a horse race bet to a bookmaker who is a United States citizen with his place of business located in Windsor, Canada. The wager is taxable since it is made by a person within the United States with a person who is a United States citizen.

Example (3). A United States citizen while visiting Tijuana, Mexico, makes a wager on the outcome of a horse race with a bookmaker who is also a United States citizen located and doing business in Tijuana. The wager is not taxable since both parties to the wager, though United States citizens, were outside the United States at the time the wager was made.

Subpart C—Occupational Tax

§ 44.4411-1 Imposition of tax.

(a) *In general.* A special tax of \$50 per year is required to be paid by each person:

(1) Who is liable for the tax imposed by section 4401, or

(2) Who is engaged in receiving wagers for or on behalf of any person who is liable for the tax imposed by section 4401.

(b) *Examples.* The application of paragraph (a) of this section may be illustrated by the following examples:

Example (1). A, who is engaged in the business of accepting horse race bets, employs ten persons to receive on his behalf wagers which are transmitted by telephone. A also employs a secretary and a bookkeeper. A and each of the ten persons who receives wagers by telephone on behalf of A are liable for the special tax. The secretary and bookkeeper are not liable for the special tax unless they also receive wagers for A.

Example (2). B operates a numbers game and has an arrangement with ten persons, who are employed in various capacities, such as bootblacks, elevator operators, news dealers, etc., to receive wagers from the public on his behalf. B also employs C to collect from the ten persons referred to, the wagers received by them on B's behalf and to deliver such wagers to B. C performs no other services for B. B and the ten persons who receive wagers on his behalf are liable for the special tax. C is not liable for the special tax since he is not engaged in receiving wagers for B.

(c) *Cross references.* For provisions relating to the payment of the special tax (computation, manner of payment, etc.), see Subpart D of this part.

§ 44.4412-1 Registration.

(a) *In general.* Every person required to pay the special tax imposed by section 4411 shall register and file a return on Form 11-C. For provisions relating to the general requirement for filing a return, see § 44.6011(a)-1.

(b) *Information to be reported on Form 11-C.* (1) Every person required to make a return on Form 11-C shall report thereon his full name and place of residence. A person doing business under an alias, style, or trade name shall give his true name, followed by his alias, style, or trade name. In the case of a partnership, association, firm, or company, other than a corporation, the style or trade name shall be given, also the true name of each member and his place of residence. In the case of a corporation, the true name and title of each officer and his place of residence shall be shown.

(2) Each person engaged in the business of accepting wagers on his own account shall report on Form 11-C the name and address of each place where such business will be conducted and the name, address, and number appearing on the special (occupational) stamp of each agent or employee who may receive wagers on his behalf. Thereafter, a return shall be filed on Form 11-C, marked "Supplemental", each time an additional employee or agent is engaged to receive wagers. Such supplemental return shall be filed not later than 10 days after the date such additional employee or agent is engaged to receive wagers and shall show the name, address, and number appearing on the special (occupational) stamp of each such agent or employee. As to a change of address, see § 44.4905-2.

(3) Each agent or employee who receives wagers for or on behalf of a person engaged in the business of accepting wagers on his own account shall report on Form 11-C the name and residence address of each person (i.e., individual, partnership, corporation, etc.) on whose behalf wagers are to be received. Thereafter, the agent or employee shall file a return on Form 11-C, marked "Supplemental", each time he is engaged or employed to receive wagers for a person or persons other than