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Section 210. PERCENTAGE DEPLETION RATE FOR CLAM AND OYSTER SHELLS.

*P. 196* This amendment provides that mollusk shells (including clam and oyster shells) are to be allowed percentage depletion at the same rate (15 percent) as is applicable in the case of limestone and other calcium carbonates. However, the rate remains at 5 percent (as is true of limestone) if the shells are used as riprap, ballast, road material, rubble, concrete aggregates or for similar purposes. This change is applicable to taxable years beginning after the date of enactment.

Section 211. SINTERING AND BURNING OF SHALE, CLAY, AND SLATE USED AS LIGHTWEIGHT AGGREGATES.

*Pp. 196–197* This amendment provides that for purposes of determining the applicable percentage depletion base, the sintering or burning of shale, clay, and slate used or sold for use as lightweight aggregates are to be treated as a mining process. This amendment is applicable to taxable years beginning after the date of enactment.

Section 212. STRADDLES.

*Pp. 197–198* This amendment provides that, with respect to straddle transactions entered into after January 25, 1965, the income from the lapse of an option which originated as part of a straddle is to be treated as a short-term capital gain (instead of ordinary income). This permits it to be netted against any capital loss which may result from the exercise of the other option in the straddle while retaining what in most respects is ordinary income treatment for any excess of net short-term capital gain over net long-term capital loss.

This amendment is to apply to straddles written after January 25, 1965.

Section 213. TAX TREATMENT OF PER-UNIT RETAIN ALLOCATIONS.

*Pp. 198–209* This amendment amends present law dealing with the taxation of cooperatives and patrons to insure that a current single tax is paid, at either the cooperative or patron level, with respect to per-unit retain certificates. In so doing, the amendment makes the treatment of these certificates generally comparable to the treatment of patronage dividends under present law.