

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, December 29, 1941

OWNERSHIP CERTIFICATE REQUIREMENTS RELATING TO INTEREST PAYMENTS ON OBLIGATIONS OF THE UNITED STATES OR ANY AGENCY OR ANY INSTRUMENTALITY THEREOF

To All Banking Institutions in the
Eleventh Federal Reserve District:

Income Tax Regulations 103, issued by the Bureau of Internal Revenue, as amended effective January 1, 1942, provide that ownership certificates shall be filed (by citizens and resident individuals and fiduciaries, resident partnerships, nonresident partnerships all of the members of which are citizens or residents, nonresident aliens and nonresident partnerships composed in whole or in part of nonresident aliens, and nonresident foreign corporations, or where the owner is unknown) in the case of interest paid on and after January 1, 1942, on obligations of the United States or any agency or instrumentality thereof, regardless of the date of issuance of such obligations. It will be observed that ownership certificates will be required for interest payments on all issues, both taxable and nontaxable, except in the cases of interest payments where the owner is a domestic or resident corporation, a resident-foreign corporation, or a foreign government.

This bank, as fiscal agent of the United States, will be required to file the ownership certificates with the Collectors of Internal Revenue; therefore, when surrendering coupons detached from Government obligations or any agency or instrumentality thereof on and after January 1, 1942, it will be appreciated if banks will segregate the coupons and list them on separate coupon-schedule forms according to the following classes:

- (a) Where the owner of the security is a domestic or resident corporation, including banks, a resident-foreign corporation, or a foreign government.
- (b) Where owners are citizens, resident individuals, fiduciaries, resident partnerships or nonresident partnerships all of the members of which are citizens or residents. (Such owners are required to file ownership certificates on Form 1000.)
- (c) Where the owner is a nonresident alien or nonresident-foreign corporation and tax at the source must be withheld. (Such owners are required to file ownership certificates on Form 1001.)

In the event the coupons fall in group (a) the schedule should bear an endorsement to the effect that they are owned by a domestic or resident corporation, a resident-foreign corporation, or a foreign government.

Ownership certificate forms for Government-interest coupons should be obtained from an office of the Collector of Internal Revenue.

A SEPARATE OWNERSHIP CERTIFICATE should be furnished for coupons detached from each issue of bonds. The certificate forms must be completely executed and sorted by issues in the same order as the coupons are listed on the coupon schedule. The certificates should not be attached to the coupons but should be banded together separately, accompanied by an adding-machine tape giving the total amount involved, which should balance with the amount of coupons listed on the schedule.

Member banks will receive immediate credit, as heretofore, for matured coupons under classifications (a) and (b). Credit for coupons supported by Certificate Form 1001, as indicated under classification (c), will be given after deduction is made for the tax to be withheld at the source, as required by the Income Tax Regulations.

If additional information is desired regarding the applicability or taxable-income status of any particular case, it is requested that the matter be referred directly to an office of the Collector of Internal Revenue.

Yours very truly,

R. R. GILBERT

President