

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, September 12, 1942

**To All Banking Institutions in the
Eleventh Federal Reserve District:**

There are transmitted herewith copies of two Treasury Department circulars (No. 695 and No. 696) governing new issues of Treasury Tax Savings Notes which will go on sale Monday, September 14, 1942, replacing the present Series A and B Tax Savings Notes, the sale of which will terminate at the close of business on Saturday, September 12, 1942.

There are also transmitted a copy of the Treasury Department's press statement regarding these notes, and a letter from Secretary of the Treasury Morgenthau.

The new notes of Tax Series A-1945 are intended primarily for the smaller taxpayer. The limitation on the principal amount that may be presented on account of any one taxpayer's liability for each class of taxes (income, estate or gift) for each taxable period has been raised from \$1,200 to \$5,000.

The new notes of Tax Series C-1945 are adaptable for dual purposes; (1) for the accumulation of tax reserves and (2) for the temporary or short-term investment of cash balances which are at present idle. This new series of Treasury notes, the Secretary states, will furnish a security well adapted to corporations and other investors for the mobilization of their idle funds for the War program.

A supply of application forms, together with copies of a brief summary covering the important features of the new series of Tax notes, will be forwarded to all banks within a few days.

Yours very truly,

R. R. GILBERT

President

