

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, August 3, 1950

DISCONTINUANCE OF SPECIAL DRAFTS FOR CREDIT IN TREASURY TAX AND LOAN ACCOUNTS

**To All Banking Institutions, and Others Concerned,
in the Eleventh Federal Reserve District:**

The Secretary of the Treasury has announced that, in the interest of economy and efficiency in operations, Special Drafts for credit in Treasury Tax and Loan Accounts, covering Federal taxes deposited directly with Federal Reserve Banks by employers, will be discontinued, effective September 1, 1950.

There are enclosed for your information amendments to Department Circulars No. 92 (Revised) and No. 848, dated July 20, 1950, which revoke the provisions contained in these circulars relating to Special Drafts for Credit in Treasury Tax and Loan Accounts.

Depositaries for Federal Taxes which are also Treasury Tax and Loan Depositaries will continue to have the benefit in their Treasury Tax and Loan Accounts of tax deposits made with them by employers as the procedure for handling such deposits is not affected. Discontinuance of the drafts concerns only those deposits which are made by employers directly with Federal Reserve Banks by means of checks drawn on Treasury Tax and Loan Depositaries. Checks in payment of such deposits may be identified as they are received in cash letters from this bank and its branches by the symbol "Withheld Taxes" which appears on their face. Banks which are not now qualified as Depositaries for Federal Taxes may qualify in accordance with the provisions of Department Circular No. 848.

In connection with the foregoing, attention is invited to the advantages which will accrue to Depositaries for Federal Taxes under the recent amendment of Treasury regulations relating to the handling of deposits for the last month of the quarter and the filing of the quarterly returns. This amendment allows employers additional time for filing quarterly tax returns under the conditions outlined in the circular letter from this bank dated July 17, 1950, and should result in additional tax deposits being received by depositaries for the last month of each quarter.

Additional information desired will be gladly furnished upon request.

Yours very truly,

R. R. GILBERT

President

**SPECIAL DEPOSITS OF PUBLIC MONEYS UNDER THE ACT OF CONGRESS
APPROVED SEPTEMBER 24, 1917, AS AMENDED (SECOND LIBERTY BOND
ACT, AS AMENDED)**

1950
Department Circular No. 92 (Revised)
First Amendment
Fiscal Service
Bureau of Accounts

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, July 20, 1950.

To Federal Reserve Banks and other incorporated banks and trust companies in the United States (including the District of Columbia), the Territories of Alaska and Hawaii, Puerto Rico, the Virgin Islands, and the Panama Canal Zone:

Department Circular No. 92 (Revised), dated November 10, 1949, is hereby amended, effective September 1, 1950, as follows:

By deleting subparagraph 13(c), under the section entitled "Deposits in Treasury Tax and Loan Account";

By deleting paragraph 17, under the section entitled "How Deposits Are To Be Made";

By deleting the heading and the succeeding paragraphs 18 through 22, comprising the entire section entitled "Special Draft for Credit in Treasury Tax and Loan Account";

By deleting Exhibit C entitled "Special Draft for Credit in Treasury Tax and Loan Account";

And by renumbering paragraphs 23 and 24, under the section entitled "Withdrawal of Deposits," to read 17 and 18, respectively.

(Signed) JOHN W. SNYDER,
Secretary of the Treasury.

**REGULATIONS GOVERNING THE DEPOSIT WITH FEDERAL RESERVE
BANKS AND DEPOSITARY BANKS OF EMPLOYER AND EMPLOYEE
TAXES UNDER THE FEDERAL INSURANCE CONTRIBUTIONS ACT
AND OF INCOME TAX WITHHELD ON WAGES UNDER SECTION 1622
OF THE INTERNAL REVENUE CODE**

(Applicable to Wages Paid on or after January 1, 1950)

1950
Department Circular No. 848
First Amendment
Fiscal Service
Bureau of Accounts

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, July 20, 1950.

To Federal Reserve Banks, incorporated banks and trust companies, and others concerned:

Department Circular No. 848, dated November 10, 1949, is hereby amended, effective September 1, 1950, by deleting subparagraph E, under section 10 entitled "Functions to be Performed by Federal Reserve Banks," and by substituting in lieu thereof the following:

"(E) Perform the necessary functions to provide for crediting deposits of Federal taxes in Treasury Tax and Loan Accounts of depositary banks, with respect to deposits of such taxes made by employers with banks acting in their capacity as Depositaries for Federal Taxes."

(Signed) JOHN W. SNYDER,
Secretary of the Treasury.