

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, May 24, 1955

SPECIAL HANDLING OF LARGE INCOME TAX PAYMENTS

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

The Treasury Department has announced that the procedure which prevailed during the first two quarterly tax payment periods of 1954, with respect to the special handling of large payments of **individual and corporation** income taxes, will be effective also for June 1955 tax collections from corporations and individuals. This arrangement will be applicable only to the extent of **50% of the amount of tax payments of \$10,000 or over.**

During the period from May 31, 1955 through July 1, 1955, (1) Directors of Internal Revenue will make special deposits with the Federal Reserve banks of checks representing tax remittances of \$10,000 or over covering payments of individual and corporation income taxes, (2) Federal Reserve banks will prepare daily a "Special Draft for Credit in Treasury Tax and Loan Account" in an amount not to exceed 50% of the aggregate amount of such checks drawn on each Special Depository, and (3) in accordance with conditions set forth on the face of the special draft, Special Depositories may exercise their option to accept for deposit in their Treasury Tax and Loan Accounts funds in an amount equal to the amount of the special draft.

The Treasury Department has indicated that it may be necessary to either increase or decrease the percentage amount of such checks for credit in the Treasury Tax and Loan accounts during the period, if such action is required to prevent undue fluctuations in the amount of the balances in the accounts of the Treasurer of the United States with Federal Reserve banks.

Withdrawals of balances in Treasury Tax and Loan Accounts arising from deposits under this special procedure will be made in such manner as required by the needs of the Treasury.

This bank will be glad to furnish any additional information in this connection that may be desired.

Yours very truly,

Watrous H. Irons

President