

# FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, May 22, 1956

## 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 second quarterly tax payment period of 1955, with respect to the special handling of large payments of **individual and corporation** income taxes, will be effective also for June 1956 tax collections. This arrangement will be applicable only to the extent of **50% of the amount of tax payments of \$10,000 or over**. The procedure which prevailed during the first quarterly tax payment period of 1956 covered **corporation** taxes only.

During the period from June 1, 1956 through July 6, 1956, (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.

No distinction will be made between these special credits and other credits to Treasury Tax and Loan Accounts. Calls for withdrawals of balances in Treasury Tax and Loan Accounts will be made 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