

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

DALLAS, TEXAS 75222

Circular No. 71-291
December 2, 1971

OFFERING

TREASURY BILL — TAX ANTICIPATION SERIES

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

Your attention is invited to the following statement giving details of an issue of Treasury bills:

The Treasury Department, by this public notice, invites tenders for \$2,000,000,000, or thereabouts, of 191-day Treasury bills to be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be dated December 13, 1971, and will mature June 21, 1972 (CUSIP No. 912793 NS1). They will be accepted at face value in payment of income taxes due on June 15, 1972, and to the extent they are not presented for this purpose the face amount of these bills will be payable without interest at maturity. Taxpayers desiring to apply these bills in payment of June 15, 1972, income taxes may submit the bills to a Federal Reserve Bank or Branch or to the Office of the Treasurer of the United States, Washington, not more than fifteen days before that date. In the case of bills submitted in payment of income taxes of a corporation they shall be accompanied by a duly completed Form 503 and the office receiving these items will effect the deposit on June 15, 1972. In the case of bills submitted in payment of income taxes of all other taxpayers, the office receiving the bills will issue receipts therefor, the original of which the taxpayer shall submit on or before June 15, 1972, to the District Director of Internal Revenue for the District in which such taxes are payable. The bills will be issued in bearer form only, and in denominations of \$10,000, \$15,000, \$50,000, \$100,000, \$500,000 and \$1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty p.m., Eastern Standard Time, Wednesday, December 8, 1971. Tenders will not be received at the Treasury Department, Washington. Each tender must be for a minimum of \$10,000. Tenders over \$10,000 must be in multiples of \$5,000. In the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e.g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

All bidders are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any bills of this issue at a specific rate or price, until after one-thirty p.m., Eastern Standard Time, Wednesday, December 8, 1971.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Only those submitting competitive tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for \$300,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on December 13, 1971. Any qualified depository will be permitted to make settlement by credit in its Treasury Tax and Loan Account for not more than 50 percent of the amount of Treasury bills allotted to it for itself and its customers.

Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is considered to accrue when the bills are sold, redeemed or otherwise disposed of, and the bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder must include in his income tax return, as ordinary gain or loss, the difference between the price paid for the bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made.

Treasury Department Circular No. 418 (current revision) and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

In accordance with the above announcement, tenders will be received at this bank and its branches at El Paso, Houston and San Antonio, up to twelve-thirty pm., Central Standard Time, Wednesday, December 8, 1971. Tenders may not be entered by telephone.

Yours very truly,

P. E. Coldwell

President

(See reverse side for tender form)

This issue of Treasury bills will be accepted at face value in payment of income taxes due on June 15, 1972

TENDER FOR TREASURY BILLS

TAX ANTICIPATION SERIES

Dated December 13, 1971

191 DAYS TO MATURITY

Maturing June 21, 1972

To: Federal Reserve Bank, Station K, Dallas, Texas 75222

or —

The _____ Branch

El Paso 79999 Houston 77001 San Antonio 78295

(Date)

Pursuant to the provisions of Treasury Department Circular No. 418 (current revision) and to the provisions of the public announcement, as shown on reverse side, as issued by the Treasury Department, the undersigned offers to purchase Treasury bills in the amount shown below, and agrees to pay for the amount allotted, on or before the issue date, by the method and at the rate indicated.

NONCOMPETITIVE TENDER \$ _____ NOT TO EXCEED \$300,000

Noncompetitive tenders for \$300,000 or less from any one bidder, without stated price, will be accepted in full at the average price (in three decimals) of accepted competitive bids.

COMPETITIVE TENDERS { \$ _____ @ _____ \$ _____
 \$ _____ @ _____ \$ _____
 \$ _____ @ _____ \$ _____

Prices should be expressed on the basis of 100, with not more than three decimal places, e. g., 99.925. Fractions must not be used.

TENDERS MAY NOT BE ENTERED BY TELEPHONE. TENDERS BY WIRE, IF RECEIVED BEFORE THE CLOSING HOUR, ARE ACCEPTABLE.

Denominations Desired	
Number of Pieces	Maturity Values
_____ @ \$ 10,000	\$ _____
_____ @ \$ 15,000	\$ _____
_____ @ \$ 50,000	\$ _____
_____ @ \$ 100,000	\$ _____
_____ @ \$ 500,000	\$ _____
_____ @ \$1,000,000	\$ _____

METHOD OF PAYMENT

By charge to Treasury Tax and Loan Account (not to exceed 50 percent of the cost of bills allotted)

Payment to be made by _____

 (Name of Bank)

By charge to our reserve account on payment date.

By draft enclosed (effectual delivery of enclosed draft shall be on latest day which will permit presentment in order to obtain irrevocably collected funds on payment date).

We certify that we, as well as our customers, if any, listed hereon have agreed not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any bills of this issue at a specific rate or price, until after one-thirty p.m., Eastern Standard Time, Wednesday, December 8, 1971.

Delivery Instructions:

- Hold in Custody Account — Member banks for own account only
- Pledge to Secure Treasury Tax and Loan Account
- Ship to _____

 (Subscriber's full name or corporate title)

 (Address)

By _____
 (Authorized official signature and title)

 (For the account of, if tender is for another subscriber)

 (Address)

IMPORTANT

1. No tender for less than \$10,000 will be considered and each tender over \$10,000 must be for an amount in multiples of \$5,000 (maturity value).
2. Tenders should be forwarded in an envelope clearly addressed to this bank or appropriate branch as Fiscal Agent of the United States, with notation on the envelope reading "TENDER FOR TREASURY OFFERING". Since envelopes received with this legend will not be opened until after the closing time specified in the public announcement, communications relating to other matters should not be enclosed. Envelopes for submitting tenders may be requested from this bank or appropriate branch.
3. Any qualified or conditional tender will be rejected.
4. If a corporation makes the tender the form should be signed by an officer of the corporation authorized to make the tender and the signing of the form by an officer of the corporation will be construed as a representation by him that he has been so authorized. If the tender is made by a partnership it should be signed by a member of the firm, who should sign in the form "_____, a copartnership, by _____, a member of the firm".
5. Tenders from those other than incorporated banks and trust companies or responsible and recognized dealers in investment securities will be disregarded, unless accompanied by a deposit of 2 percent of the total amount (maturity value) of the Treasury bills applied for, or unless the tenders are accompanied by an express guaranty of full payment by an incorporated bank or trust company.
6. If the language of this form is changed in any respect, which, in the opinion of the Secretary of the Treasury, is material, the tender may be disregarded.

(See reverse for announcement)