

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 2347]
December 31, 1941]

OFFERING OF TWO ISSUES OF UNITED STATES OF AMERICA

TREASURY TAX SAVINGS NOTES

Tax Series A-1944

Tax Series B-1944

Dated January 1, 1942

Due January 1, 1944

Issued at Par and Accrued Interest

Acceptable at Par and Accrued Interest in Payment of Federal Income, Estate, and Gift Taxes

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

At the request of the Treasury Department, this bank transmits to you herewith a copy of Treasury Department Circular No. 674 dated December 15, 1941, setting forth the terms of the offering of, and other provisions relating to, Treasury Notes of Tax Series A-1944 and Treasury Notes of Tax Series B-1944. The notes of both series will be placed on sale January 1, 1942, and the sale will continue until December 31, 1942, unless earlier terminated, as to either or both series, by the Secretary of the Treasury.

We call your attention to the fact that the provisions of Treasury Department Circular No. 674 relating to these notes differ in the following principal respects from the provisions of Treasury Department Circular No. 667 dated July 22, 1941, (a copy of which was transmitted to you with our Circular No. 2252 dated August 1, 1941) relating to notes of Tax Series A-1943 and Tax Series B-1943 which were on sale from August 1, 1941, until December 31, 1941:

Presentation in Payment of Taxes

Subject to the limitations and conditions set forth in Section IV of Treasury Department Circular No. 674, during and after the third calendar month from the month of purchase Treasury Notes of Tax Series A-1944 and Tax Series B-1944 will be receivable by the Collector of Internal Revenue in payment of Federal *estate* and *gift* taxes (current and back) as well as in payment of Federal income taxes, assessed against the original purchaser or his estate, but the Collector will accept (a) not more than \$1,200 principal amount of notes of Tax Series A-1944, or of Tax Series A-1943, or of the two in combination, and (b) the amount of accrued interest thereon, on account of any one taxpayer's liability for each class of taxes (income, estate or gift) for each taxable period: provided, that *this limitation shall apply separately to husband and wife on a joint return, and shall apply separately to an owner before death and to his estate for the balance of the same year.*

Purchase of Notes

The notes of both series will be dated January 1, 1942, and will mature January 1, 1944, and interest thereon will accrue each month from January 1, 1942.

Every application should be accompanied by remittance to cover the purchase price, that is, par plus accrued interest from January 1942 to the month in which the remittance will be collected by the

Federal Reserve Bank of New York. A table showing the purchase price for notes of each series during each month during 1942 will be found on the back of Treasury Department Circular No. 674. Defense Savings Stamps will be accepted at their face value in lieu of cash.

The name of the purchaser should be set forth in the same form as that used in the Federal tax return of the purchaser, except that in the case of joint tax returns of individuals, the notes should be inscribed individually—the notes will not be issued in the names of two or more persons jointly.

Transfer of Notes Held by Certain Corporations

Tax Series notes may not be transferred, except, that if any such notes are held by a corporation owning more than 50 percent of the stock, with voting power, of another corporation, such notes may be reissued in the name of the subsidiary upon request of the corporation and surrender of the notes to the agent that issued them. No hypothecation of the notes on any account will be recognized by the Treasury Department, and they will not be accepted to secure deposits of public money.

Denominations

Notes of Tax Series A-1944 will be issued in denominations of \$500 and \$1,000 as well as in denominations of \$25, \$50, and \$100. Notes of Tax Series B-1944 will be issued in denominations of \$100, \$500, \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000.

Applications for notes of Tax Series A-1944 and Tax Series B-1944 will be accepted by the Federal Reserve Bank of New York on the application forms (Form GB-353 for Tax Series A and Form GB-354 for Tax Series B) which have already been issued for use in applying for notes of Tax Series A-1943 and Tax Series B-1943. New pages of instructions for filling out such applications are enclosed and should be substituted for the instructions set forth on the inside cover of the pads of applications now in your possession. When your present supply of forms is exhausted you may order a new supply using form GB-355 "Requisition for Forms".

This bank will be pleased to undertake to answer any inquiries relative to this new series of Treasury tax savings notes. Additional copies of this circular and of Treasury Department Circular No. 674 will be furnished upon request.

ALLAN SPROUL,
President.

Note: Please paste this slip over printed matter on inside cover of the pad of applications now in your possession. Until your present supply of application forms is exhausted you may, when necessary, modify the form to provide for the new \$500, and \$1,000 denominations.

INSTRUCTIONS

TAX SERIES A

Applications are to be prepared in triplicate:

ORIGINAL—To be submitted to Federal Reserve Bank of New York.

DUPLICATE—To be retained by banking institution submitting the application.

TRIPLICATE—To be delivered to purchaser.

Signature of purchaser is not required when application is submitted by a banking institution to the Federal Reserve Bank.

INSCRIPTION

These notes may be used in payment of Federal income, estate, and gift taxes only by the individual, corporation or other entity whose name is inscribed on the face thereof. Such use will be facilitated if, when applying for notes, the purchaser requests that the notes be inscribed in the identical name used in the purchaser's income tax return.

PURCHASE PRICE

The month in which payment in available funds is received by the Federal Reserve Bank will determine the purchase price. The purchase price increases each month as shown by the following table:

Purchase Price (par and accrued interest)
per \$25 during year 1942.

Month in which payment in available funds is received by Federal Reserve Bank	Price of each \$25 purchased
January	\$25.00
February	25.04
March	25.08
April	25.12
May	25.16
June	25.20
July	25.24
August	25.28
September	25.32
October	25.36
November	25.40
December	25.44

Note: Please paste this slip over printed matter on inside cover of the pad of applications now in your possession. Until your present supply of application forms is exhausted you may, when necessary, modify the form to provide for the new \$500,000, and \$1,000,000 denominations.

INSTRUCTIONS TAX SERIES B

Applications are to be prepared in triplicate:

ORIGINAL—To be submitted to Federal Reserve Bank of New York.

DUPLICATE—To be retained by banking institution submitting the application.

TRIPLICATE—To be delivered to purchaser.

Signature of purchaser is not required when application is submitted by a banking institution to the Federal Reserve Bank.

INSCRIPTION

These notes may be used in payment of Federal income, estate, and gift taxes only by the individual, corporation or other entity whose name is inscribed on the face thereof. Such use will be facilitated if, when applying for notes, the purchaser requests that the notes be inscribed in the identical name used in the purchaser's income tax return.

PURCHASE PRICE

The month in which payment in available funds is received by the Federal Reserve Bank will determine the purchase price. The purchase price increases each month as shown by the following table:

**Purchase Price (par and accrued interest)
per \$100 during year 1942.**

Month in which payment in available funds is received by Federal Reserve Bank	Price of each \$100 purchased
January	\$100.00
February	100.04
March	100.08
April	100.12
May	100.16
June	100.20
July	100.24
August	100.28
September	100.32
October	100.36
November	100.40
December	100.44

UNITED STATES OF AMERICA

TREASURY TAX SAVINGS NOTES

Tax Series A-1944

Tax Series B-1944

Dated January 1, 1942

Due January 1, 1944

Issued at Par and Accrued Interest
Acceptable at Par and Accrued Interest in Payment of Federal Income, Estate, and Gift Taxes

1941
Department Circular No. 674
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, December 15, 1941.

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, offers for sale, to the people of the United States, at par and accrued interest, two issues of nontransferable notes of the United States, designated Treasury Notes of Tax Series A-1944, and Treasury Notes of Tax Series B-1944, which notes, under authority of Section 3657 of the Internal Revenue Code, and subject to the limitations and conditions hereinafter set forth, will be receivable, at par and accrued interest, in payment of Federal income, estate, and gift taxes.

2. The notes will be placed on sale January 1, 1942, and the sale will continue until December 31, 1942, unless earlier terminated, as to either or both series, by the Secretary of the Treasury.

II. DESCRIPTION OF NOTES

1. *General.*—The notes of both series will be dated January 1, 1942; they will mature January 1, 1944, and may not be called by the Secretary of the Treasury for redemption before maturity. Subject to the limitations and conditions set forth in Section IV of this circular, the notes of both series will be receivable, at par and accrued interest, in payment of Federal income, estate, and gift taxes. If the notes are not presented in payment of taxes, they will be payable at maturity, or, at the owner's option and request, they will be redeemable before maturity, as provided in Section V of this circular, but in either case payment will be made only at the price paid for the notes.

2. *Form, inscription, dating.*—The owner's name and address will be entered on each note at the time of its issue by an authorized issuing agent, and the date of issue will be shown by an imprint of the agent's dating stamp. The month in which payment is received and credited by a Federal Reserve Bank or Branch, or by the Treasurer of the United States, will determine the purchase price and issue date of each note. The notes may not be transferred, except, that if notes are held by a corporation owning more than 50 percent of the stock, with voting power, of another corporation, such notes may be transferred to the subsidiary upon request of the corporation and surrender of the notes to the agent that issued them. No hypothecation of the notes on any account will be recognized by the Treasury Department, and they will not be accepted to secure deposits of public money.

3. *Denominations and interest.*—The notes of Tax Series A-1944 will be issued in denominations of \$25, \$50, \$100, \$500, and \$1,000, and interest thereon will accrue from January 1942, in the amount of 16 cents each month on each \$100 principal amount, that is, 4 cents on each \$25, 8 cents on each \$50, 16 cents on each \$100, 80 cents on each \$500, and \$1.60 on each \$1,000 denomination of note. The notes of Tax Series B-1944 will be issued in denominations of \$100, \$500, \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000, and interest thereon will accrue from January 1942, in the amount of 4 cents each month on each \$100 principal amount, that is 4 cents on each \$100, 20 cents on each \$500, 40 cents on each \$1,000, \$4 on each \$10,000, \$40 on each \$100,000, \$200 on each \$500,000, and \$400 on each \$1,000,000 denomination of note. In no case, however, shall interest accrue beyond the month in which the note is presented in payment of taxes, or beyond its maturity. Exchanges of authorized denominations of each series from higher to lower, but not from lower to higher, may be arranged at the office of the agent that issued the note.

4. *Purchase price and tax-payment value.*—Tables are appended to this circular showing the principal amount with accrued interest added, for notes of each denomination of each series, for each month from January 1942 to January 1944, inclusive. The total shown for any denomination for any month—January through December 1942—while the notes remain on sale, is the purchase price, or cost, of the note during that month. Also, the total shown for any denomination for any month—January 1942 through January 1944—is the tax-payment value of the note if receivable during that month in payment of taxes, subject to the provisions of Section IV of this circular.

5. *Taxation.*—Income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

III. PURCHASE OF NOTES

1. *Applications and payment.*—Applications will be received by the Federal Reserve Banks and Branches, and by the Treasurer of the United States, Washington, D. C. Banking institutions generally may submit applications for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Every application must be accompanied by payment in full, at par and accrued interest from January 1942 to the month in which payment in immediately available funds is received by a Federal Reserve Bank or Branch, or the Treasurer of the United States. Any form of exchange, including personal checks, will be accepted subject to collection, and should be drawn to the order of the Federal Reserve Bank or of the Treasurer of the United States, as payee, as the case may be; Defense Savings Stamps will be accepted at their face value in lieu of cash. The date funds are made available on collection of exchange will govern the issue price and issue date of the notes. Any depository, qualified pursuant to the provisions of Treasury Department Circular No. 92 (revised February 23, 1932, as supplemented) will be permitted to make payment by credit for notes applied for on behalf of itself or its customers up to any amount for which it shall be qualified in excess of existing deposits.

2. *Reservations.*—The Secretary of the Treasury reserves the right to reject any application in whole or in part, and to refuse to issue or permit to be issued hereunder any notes of either or both series in any case or in any class or classes of cases if he deems such action to be in the public interest, and his action in any such respect shall be final. If an application is rejected, in whole or in part, any payment received therefor will be refunded. The Secretary of the Treasury, in his discretion, may designate agencies other than those herein provided for the sale of, or for the handling of applications for, Treasury notes to be issued hereunder.

3. *Delivery of notes.*—Upon acceptance of full-paid applications, notes will be duly issued and, unless delivered in person, will be delivered by registered mail within the Continental United States, the Territories and Insular Possessions of the United States, the Canal Zone and the Philippine Islands. No deliveries elsewhere will be made.

4. *Form of application.*—In applying for notes under this circular, care should be exercised to specify whether those of Tax Series A-1944, or Tax Series B-1944 are desired, and there must be furnished the name and address of the individual, corporation, or other entity in which the notes are to be issued; and if address for the delivery of the notes is different, appropriate instructions should be given. The name should be in the same form as that used in the Federal tax return of the purchaser, except that in the case of joint tax returns of individuals, the notes should be inscribed individually—the notes will not be issued in the names of two or more persons jointly. The application should be accompanied by remittance to cover the purchase price—that is, par—together with accrued interest from January 1942 to the month in which the application will be received and the remittance collected by an authorized issuing agent. The use of an official application form is desirable, but not necessary. Appropriate forms may be obtained on application to any Federal Reserve Bank or Branch, or the Treasurer of the United States, Washington, D. C.; banking institutions generally have been supplied with forms for the use of their customers.

IV. PRESENTATION IN PAYMENT OF TAXES

1. During and after the third calendar month from month of purchase (as shown by the issuing agent's dating stamp on each note), during such time, and under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, notes issued hereunder in the name of a taxpayer (individual, corporation, or other entity) may be presented and surrendered by such taxpayer, his agent, or his estate, to the Collector of Internal Revenue to whom the tax return is made, and will be receivable by the Collector at par and accrued interest from January 1942, to the month, inclusive (but no accrual beyond January 1944), in which presented, in payment of any Federal income taxes (current and back personal and corporation taxes, and excess-profits taxes), or any Federal estate or gift taxes (current and back), assessed against the original purchaser or his estate, but the Collector will accept (a) not more than \$1,200 principal amount of notes of Tax Series A-1944, or of Tax Series A-1943, or of the two in combination, and (b) the amount of the

accrued interest thereon, on account of any one taxpayer's liability for each class of taxes (income, estate or gift) for each taxable period: *Provided*, That this limitation shall apply separately to husband and wife on a joint return, and shall apply separately to an owner before death and to his estate for the balance of the same year. The notes must be forwarded to the Collector at the risk and expense of the owner, and, for the owner's protection, should be forwarded by registered mail, if not presented in person.

V. CASH REDEMPTION AT OR PRIOR TO MATURITY

1. *General*.—Any Treasury note of Tax Series A-1944 or Tax Series B-1944 will be redeemed for cash at the purchase price at or before maturity. Notes of Tax Series A-1944 may be redeemed before maturity without advance notice, but notes of Tax Series B-1944 may be redeemed before maturity only after 60 days from date of issue (as shown by the dating stamp of the issuing agent) and on 30 days' advance notice. The timely surrender of a note of Tax Series B-1944, bearing a properly executed request for payment, will be accepted as constituting the advance notice required hereunder.

2. *Execution of request for payment*.—The owner in whose name the note is inscribed must appear before one of the officers authorized by the Secretary of the Treasury to witness and certify requests for payment, establish his identity, and in the presence of such officer sign the request for payment appearing on the back of the note, adding the address to which check is to be mailed. After the request for payment has been so signed, the witnessing officer should complete and sign the certificate provided for his use.

3. *Officers authorized to witness and certify requests for payment*.—All officers authorized to witness and certify requests for payment of United States Savings Bonds, as set forth in Treasury Department Circular No. 530, Fourth Revision, as amended, are hereby authorized to witness and certify requests for cash redemption of Treasury notes issued under this circular. Such officers include United States postmasters, certain other post office officials, and the executive officers of all banks and trust companies incorporated in the United States or its organized territories, including officers at branches thereof who are certified to the Treasury Department as executive officers.

4. *Presentation and surrender*.—Notes bearing properly executed requests for payment must be presented and surrendered to the agent that issued the notes (as shown by the agent's dating stamp), at the expense and risk of the owner. For the owner's protection, notes should be forwarded by registered mail, if not presented in person.

5. *Disability or death*.—In case of the disability or death of the owner, and the notes are not to be presented in payment of Federal income, estate or gift taxes due from him or from his estate, instructions should be obtained from the issuing agent before the request for payment is executed, or the notes presented.

6. *Partial redemption*.—Partial cash redemption of notes of either series, corresponding to an authorized denomination, may be made in the same manner as for full cash redemption, appropriate changes being made in the request for payment. In case of partial redemption of a note, the remainder will be reissued in the same name and with the same date of issue as the note surrendered.

7. *Payment*.—Payment of any note, either at maturity or on redemption before maturity, will be made only by the Federal Reserve Bank or the Treasury Department, as the case may be, that issued the note, and will be made by check drawn to the order of the owner, and mailed to the address given in his request for payment. In any case, payment will be made at the purchase price of the note, that is, at par and accrued interest (if any) paid at the time of purchase.

VI. GENERAL PROVISIONS

1. Except as provided in this circular, the notes issued hereunder will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing bonds and notes of the United States.

2. Federal Reserve Banks and their Branches, as fiscal agents of the United States, are authorized to perform such services or acts as may be appropriate and necessary under the provisions of this circular, and under any instructions given by the Secretary of the Treasury.

3. The Secretary of the Treasury may at any time or from time to time supplement or amend the terms of this circular, or of any amendments or supplements thereto, and may at any time or from time to time prescribe amendatory rules and regulations governing the offering of the notes, information as to which will promptly be furnished to the Federal Reserve Banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

(Filed with the Division of the Federal Register, December 23, 1941)

TREASURY NOTES—TAX SERIES A—1944

Purchase Price and Tax-Payment Value During Successive Months

The table below shows the principal amount with accrued interest added, for notes of each denomination, for each month from January 1942 to January 1944, inclusive. The total shown for any denomination for any month—January through December 1942—while the notes remain on sale, is the purchase price, or cost of the note during that month. Also the total shown for any denomination for any month—January 1942 through January 1944—is the tax-payment value of the note if receivable during that month in payment of taxes.

	\$25	\$50	\$100	\$500	\$1,000
1942:					
January.....	\$25.00	\$50.00	\$100.00	\$500.00	\$1,000.00
February.....	25.04	50.08	100.16	500.80	1,001.60
March.....	25.08	50.16	100.32	501.60	1,003.20
April.....	25.12	50.24	100.48	502.40	1,004.80
May.....	25.16	50.32	100.64	503.20	1,006.40
June.....	25.20	50.40	100.80	504.00	1,008.00
July.....	25.24	50.48	100.96	504.80	1,009.60
August.....	25.28	50.56	101.12	505.60	1,011.20
September.....	25.32	50.64	101.28	506.40	1,012.80
October.....	25.36	50.72	101.44	507.20	1,014.40
November.....	25.40	50.80	101.60	508.00	1,016.00
December.....	25.44	50.88	101.76	508.80	1,017.60
1943:					
January.....	25.48	50.96	101.92	509.60	1,019.20
February.....	25.52	51.04	102.08	510.40	1,020.80
March.....	25.56	51.12	102.24	511.20	1,022.40
April.....	25.60	51.20	102.40	512.00	1,024.00
May.....	25.64	51.28	102.56	512.80	1,025.60
June.....	25.68	51.36	102.72	513.60	1,027.20
July.....	25.72	51.44	102.88	514.40	1,028.80
August.....	25.76	51.52	103.04	515.20	1,030.40
September.....	25.80	51.60	103.20	516.00	1,032.00
October.....	25.84	51.68	103.36	516.80	1,033.60
November.....	25.88	51.76	103.52	517.60	1,035.20
December.....	25.92	51.84	103.68	518.40	1,036.80
1944:					
January.....	25.96	51.92	103.84	519.20	1,038.40

TREASURY NOTES—TAX SERIES B—1944

Purchase Price and Tax-Payment Value During Successive Months

The table below shows the principal amount with accrued interest added, for notes of each denomination, for each month from January 1942 to January 1944, inclusive. The total shown for any denomination for any month—January through December 1942—while the notes remain on sale, is the purchase price, or cost of the note during that month. Also the total shown for any denomination for any month—January 1942 through January 1944—is the tax-payment value of the note if receivable during that month in payment of taxes.

	\$100	\$500	\$1,000	\$10,000	\$100,000	\$500,000	\$1,000,000
1942:							
January.....	\$100.00	\$500.00	\$1,000.00	\$10,000	\$100,000	\$500,000	\$1,000,000
February.....	100.04	500.20	1,000.40	10,004	100,040	500,200	1,000,400
March.....	100.08	500.40	1,000.80	10,008	100,080	500,400	1,000,800
April.....	100.12	500.60	1,001.20	10,012	100,120	500,600	1,001,200
May.....	100.16	500.80	1,001.60	10,016	100,160	500,800	1,001,600
June.....	100.20	501.00	1,002.00	10,020	100,200	501,000	1,002,000
July.....	100.24	501.20	1,002.40	10,024	100,240	501,200	1,002,400
August.....	100.28	501.40	1,002.80	10,028	100,280	501,400	1,002,800
September.....	100.32	501.60	1,003.20	10,032	100,320	501,600	1,003,200
October.....	100.36	501.80	1,003.60	10,036	100,360	501,800	1,003,600
November.....	100.40	502.00	1,004.00	10,040	100,400	502,000	1,004,000
December.....	100.44	502.20	1,004.40	10,044	100,440	502,200	1,004,400
1943:							
January.....	100.48	502.40	1,004.80	10,048	100,480	502,400	1,004,800
February.....	100.52	502.60	1,005.20	10,052	100,520	502,600	1,005,200
March.....	100.56	502.80	1,005.60	10,056	100,560	502,800	1,005,600
April.....	100.60	503.00	1,006.00	10,060	100,600	503,000	1,006,000
May.....	100.64	503.20	1,006.40	10,064	100,640	503,200	1,006,400
June.....	100.68	503.40	1,006.80	10,068	100,680	503,400	1,006,800
July.....	100.72	503.60	1,007.20	10,072	100,720	503,600	1,007,200
August.....	100.76	503.80	1,007.60	10,076	100,760	503,800	1,007,600
September.....	100.80	504.00	1,008.00	10,080	100,800	504,000	1,008,000
October.....	100.84	504.20	1,008.40	10,084	100,840	504,200	1,008,400
November.....	100.88	504.40	1,008.80	10,088	100,880	504,400	1,008,800
December.....	100.92	504.60	1,009.20	10,092	100,920	504,600	1,009,200
1944:							
January.....	100.96	504.80	1,009.60	10,096	100,960	504,800	1,009,600

**FEDERAL RESERVE BANK
OF NEW YORK**

December 31, 1941.

Semiannual Dividend

GENTLEMEN :

The board of directors of Federal Reserve Bank of New York has declared a dividend for the six month period ending December 31, 1941, at the rate of six per centum per annum on the paid-in capital stock of the bank, payable December 31, 1941 to stockholders as shown by the books of the bank at the close of business on that date.

Your reserve account is being credited today with \$ _____ ,
the amount of the dividend due you.

Respectfully,



President.