

**FEDERAL RESERVE BANK
OF NEW YORK**
Fiscal Agent of the United States

[Circular No. 2367]
January 22, 1942.]

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

Reference is made to this bank's circular No. 2347 dated December 31, 1941, transmitting a copy of Treasury Department Circular No. 674 dated December 15, 1941, relating to Treasury Notes of Tax Series A-1944 and Treasury Notes of Tax Series B-1944.

Under date of January 9, 1942, this bank informed all banking institutions and others concerned in the Second Federal Reserve District that, according to advice received from the Treasury Department, the month of purchase of Treasury Notes of Tax Series A-1944 or Treasury Notes of Tax Series B-1944 might not be considered as one of the three calendar months for the purpose of computing when such notes would first be receivable in payment of taxes in accordance with the provisions of Section IV of Treasury Department Circular No. 674.

The Treasury Department has now advised this bank that the time within which Treasury Notes of Tax Series A-1943, Treasury Notes of Tax Series B-1943, Treasury Notes of Tax Series A-1944 and Treasury Notes of Tax Series B-1944 will first be receivable in payment of taxes will be computed in accordance with Treasury Decision 5109, approved January 16, 1942, which provides, in part, as follows:

“Notes of the United States designated as Treasury Notes of Tax Series A-1943, Treasury Notes of Tax Series B-1943, Treasury Notes of Tax Series A-1944, and Treasury Notes of Tax Series B-1944 may be accepted in payment of income taxes (current and back personal and corporation taxes, and excess-profits taxes) and estate and gift taxes (current and back), at par and interest accrued to the month, inclusive, in which presented (but no accrual beyond the maturity date). Collectors of internal revenue are authorized and directed to accept the notes if at least one full calendar month intervenes between the month of acceptance and the month of purchase (as shown by the issuing agent's dating stamp on each note). For example, a note of Tax Series A-1944 purchased in January 1942 may be accepted in March 1942 but such a note purchased in February 1942 may not be accepted until April 1942. * * *”

The Treasury Department has stated that Collectors of Internal Revenue will accept notes under the foregoing Treasury Decision, regardless of the first sentence of section IV of Treasury Department Circular No. 674 and the similar provision in the notes themselves.

ALLAN SPROUL,
President.