

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. **3713**]
May 31, 1951

DEPOSITS OF JUNE TAX COLLECTIONS IN TREASURY TAX AND LOAN ACCOUNTS

*To all Banks and Trust Companies in the
Second Federal Reserve District:*

The Secretary of the Treasury has announced that collectors of internal revenue have been instructed to deposit with Federal Reserve Banks, during the period June 1 through June 30, 1951, all remittances (except tax notes) of \$10,000 or more submitted in payment of individual or corporate income taxes, excess profits taxes, interest, or penalties, including deficiencies and payments of estimated taxes. These instructions will enable banks qualified as Special Depositories of Public Moneys to receive these remittances for deposit in their Treasury Tax and Loan Accounts. Calls for withdrawals of balances in Treasury Tax and Loan Accounts will be made against deposits arising from these tax remittances before any withdrawals are made against other funds in these accounts.

This procedure was first adopted last March. In view of the large tax receipts expected during June and the fact that the procedure adopted during March was helpful in alleviating strain in the money market, the Treasury has reestablished the procedure for June tax collections.

Last March, this Bank prepared and sent to banks special drafts (Form 453) for acceptance and deposit in their Treasury Tax and Loan Accounts. For the June tax collections, special drafts will not be used. Instead, we will prepare daily a special form of cash letter in accordance with the conditions prescribed in the Second Amendment, dated February 12, 1951, to Treasury Department Circular No. 92. Special depositories, wishing to accept funds equal to the amount of the cash letter for deposit in their Treasury Tax and Loan Accounts, should execute and return the certificate attached to the cash letter.

Additional copies of this circular will be furnished upon request.

ALLAN SPROUL,
President.