

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 3792]
December 5, 1951]

**DEPOSITS OF DECEMBER TAX COLLECTIONS IN TREASURY
TAX AND LOAN ACCOUNTS**

Amended Instructions

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

In our Circular No. 3788, dated November 29, 1951, we advised you that the Secretary of the Treasury had instructed collectors of internal revenue to deposit with Federal Reserve Banks, during the period December 1, 1951 through January 4, 1952, all remittances (except savings 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. We further advised you in that circular that we would prepare daily a special cash letter for the December tax collections so that special depositories, wishing to accept funds equal to the amount of the cash letter for deposit in their Treasury Tax and Loan Accounts, could execute and return the certificate of deposit attached to the cash letter.

The Treasury Department has advised us today by wire as follows:

Further examination of factors influencing money market and reserves of banking institutions in relation to Treasury's available balances during this period indicate that deposit of entire amounts of income tax checks for \$10,000 or more in manner outlined [in our Circular No. 3788] is not advisable.

Therefore you are authorized and requested in processing income tax checks for \$10,000 or more during current tax payment period to issue drafts or special cash letters only up to 50 percent of the amount of such checks.

In accordance with these amended instructions, during the period December 6, 1951 through January 4, 1952, we will prepare daily a special cash letter for the December tax collections, together with a certificate for only 50 percent of the amount of the special cash letter. Special depositories, wishing to accept funds equal to 50 percent of 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, in accordance with the instructions contained in the letter.

Additional copies of this circular will be furnished upon request.

ALLAN SPROUL,
President.

SPECIAL CASH LETTER

TO _____
ABA No.

IMPORTANT NOTICE If payment for this letter is made through a clearing arrangement, the drawee bank may receive credit in its reserve account for **50 per cent** of such payment by executing and returning direct to the Federal Reserve Bank of New York, the Certificate of Deposit to the Treasury Tax and Loan Account attached to the bottom of this letter.

Banks located in New York City should deposit the executed certificate at the receiving window on the first floor of our Head Office. Banks located in Buffalo should deposit the executed certificate at the Buffalo Branch.

Certificate of Deposit to Treasury Tax and Loan Account

\$ _____

Cash Letter Date _____

The undersigned depository certifies that it has deposited this day to the credit of Federal Reserve Bank of New York, Fiscal Agent of the United States, in the Treasury Tax and Loan Account, to be held subject to withdrawal on demand the sum indicated above. This amount represents **50 per cent** of the total of special cash letter dated today containing checks drawn on this bank payable to the Collector of Internal Revenue covering payments of certain Federal taxes. These checks were presented to us through a clearing arrangement and payment therefor was made at the time of such presentation in accordance with the Regulations of said clearing arrangement.

By the execution of this certificate, we are exercising the option afforded to Special Depositories by the Second Amendment to Departmental Circular 92 of the Treasury Department.

(Name of depository)

(Location)

Dated _____

by _____
(Authorized Signature)

at 3792

SPECIAL CASH LETTER

TO _____
ABA No.

Payment may be made for 50 per cent of the amount of this letter by executing and returning the Certificate of Deposit to Treasury Tax and Loan Account attached to the bottom of this letter, or by the usual form of authorization or remittance. If the Certificate of Deposit to Treasury Tax and Loan Account is executed in payment for 50 per cent of this letter, the total amount of the letter should be included on the Remittance Letter — Cash Items (Pink Form REM 4) which accompanies our regular cash letter, together with the amount of such regular cash letter, and the certificate should be used in part payment for the total of the two cash letters received.

PLEASE do not return the attached certificate separately for credit to your reserve account. If executed, use it as part of your remittance for our cash letters.

S.

Certificate of Deposit to Treasury Tax and Loan Account

\$ _____

_____ Cash Letter Date

The undersigned depository certifies that it has deposited this day to the credit of Federal Reserve Bank of New York, Fiscal Agent of the United States, in the Treasury Tax and Loan Account, to be held subject to withdrawal on demand, the above sum in payment of 50 per cent of the amount of the special letter bearing the above date containing checks drawn on this bank payable to the Collector of Internal Revenue covering payments of certain Federal taxes.

_____ (Name of depository)

_____ (Location)

Dated _____ by _____ (Authorized Signature)