

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

Circular No. 4290
December 6, 1955

Offering of \$1,500,000,000 of 99-Day Treasury Bills

To Be Designated "Tax Anticipation Series"

Dated December 15, 1955 Maturing March 23, 1956

To all Incorporated Banks and Trust Companies, and Others Concerned,
in the Second Federal Reserve District:

Following is the text of a notice published today:

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, December 6, 1955.

The Treasury Department, by this public notice, invites tenders for \$1,500,000,000, or thereabouts, of 99-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 designated Tax Anticipation Series, they will be dated December 15, 1955, and they will mature March 23, 1956. They will be accepted at face value in payment of income and profits taxes due on March 15, 1956, 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 March 15, 1956, income and profits taxes have the privilege of surrendering them to any Federal Reserve Bank or Branch not more than fifteen days before March 15, 1956, and receiving receipts therefor showing the face amount of the bills so surrendered. These receipts may be submitted in lieu of the bills on or before March 15, 1956, to the District Director of Internal Revenue for the district in which such taxes are payable. They will be issued in bearer form only, and in denominations of \$1,000, \$5,000, \$10,000, \$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 o'clock p.m., Eastern Standard time, Thursday, December 8, 1955. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and 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.

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.

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. Those submitting 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 on December 15, 1955, in cash or other immediately available funds, provided, however, any qualified depository will be permitted to make payment by credit in its Treasury Tax and Loan Account for not more than 60 percent of the amount of Treasury bills allotted to it for itself and its customers (up to the amount for which it shall be qualified in excess of existing deposits) when so notified by the Federal Reserve Bank of its district.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. 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 not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity, or the amount of income or profits taxes paid by means of the bills, during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, 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.

This Bank will receive tenders up to 1:30 p.m., Eastern Standard time, Thursday, December 8, 1955, at the Securities Department of its Head Office and at its Buffalo Branch. Please use the form on the reverse side of this circular to submit a tender, and return it in an envelope marked "Tender for Treasury Bills—Tax Anticipation Series." Tenders may be submitted by telegraph, subject to written confirmation; they may not be submitted by telephone. Settlement for accepted tenders must be made in cash or other immediately available funds, except that any qualified depository may make payment by credit in its Treasury Tax and Loan Account for not more than 60 percent of amount payable on bills allotted to it for itself and its customers, adjusted to next higher \$1,000.

ALLAN SPROUL,
President.

IMPORTANT--If you desire to bid on a *competitive* basis, fill in rate per 100 and maturity value in paragraph headed "Competitive Bid." If you desire to bid on a *noncompetitive* basis, fill in only the maturity value in paragraph headed "Noncompetitive Bid." **DO NOT fill in both paragraphs on one form.** A separate tender must be used for each bid, except that banks submitting bids on a competitive basis for their own and their customers' accounts may submit one tender for the total amount bid at each price, provided a list is attached showing the name of each bidder, the amount bid for his account, and method of payment. Forms for this purpose will be furnished upon request.

No.

TENDER FOR 99-DAY TREASURY BILLS

TO BE DESIGNATED "TAX ANTICIPATION SERIES"

Dated December 15, 1955

Maturing March 23, 1956

To FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States.

Dated at 1955

COMPETITIVE BID

Pursuant to the provisions of Treasury Department Circular No. 418, Revised, and to the provisions of the public notice on December 6, 1955, as issued by the Treasury Department, the

undersigned offers* for
(Rate per 100)

a total amount of \$.....
(maturity value) of the Treasury bills therein described, or for any less amount that may be awarded, settlement therefor to be made at your Bank, on the date stated in the public notice, as indicated below:

- By credit to Treasury Tax and Loan Account of not more than 60 percent of amount payable and remainder in cash or other immediately available funds
- By cash or other immediately available funds

*Price must be expressed on the basis of 100, with not more than three decimal places, for example, 99.925.

The Treasury bills for which tender is hereby made are to be dated December 15, 1955, and are to mature on March 23, 1956.

This tender will be inserted in special envelope marked "Tender for Treasury Bills—Tax Anticipation Series."

Name of Bidder
(Please print)

By
(Official signature required) (Title)

Street Address
(City, Town or Village, P. O. No., and State)

If this tender is submitted by a bank for the account of a customer, indicate the customer's name on line below:

.....
(Name of Customer) (City, Town or Village, P. O. No., and State)

IMPORTANT INSTRUCTIONS:

1. No tender for less than \$1,000 will be considered, and each tender must be for an even multiple of \$1,000 (maturity value).
2. If the person making the tender is a corporation, the tender should be signed by an officer of the corporation authorized to make the tender, and the signing of the tender 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 member of the firm."
3. 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.
4. If the language of this tender is changed in any respect, which, in the opinion of the Secretary of the Treasury, is material, the tender may be disregarded.

Be sure to return tender in special envelope marked "Tender for Treasury Bills—Tax Anticipation Series."

(OVER)

FEDERAL RESERVE BANK OF NEW YORK

**NOTICE OF ALLOTMENT
OF UNITED STATES OF AMERICA TREASURY BILLS
TAX ANTICIPATION SERIES**

December 9, 1955.

Your competitive noncompetitive tender for Treasury bills, Tax Anticipation Series, dated December 15, 1955, maturing March 23, 1956, has been accepted at the rate of _____ (per 100), in the amount of \$ _____ (maturity value).

Settlement therefor must be made on or before December 15, 1955 in cash or other immediately available funds at the Federal Reserve Bank of New York; depositaries may credit Treasury Tax and Loan Accounts with not more than 60 percent of the amount payable, rounded to the next higher \$1,000.

To obtain delivery of the Treasury bills, please complete both copies of the attached Letter of Instructions, and return them promptly to the Federal Reserve Bank of New York. If settlement is to be made by check on a bank other than the Federal Reserve Bank of New York, the check should be received by us in time for collection on date bills are issued, otherwise it will be necessary for the bidder to pay for the bills allotted at the price computed on the rate of discount on such bills to the date of collection. If settlement is to be made by credit to Treasury Tax and Loan Account, the Certificate of Deposit, which is part of the attached form, must be executed and officially signed.

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

Checked by

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LETTER OF INSTRUCTIONS

To FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
Government Bond Department,
New York 45, N. Y.

From (Date)

Referring to our competitive noncompetitive tender for Treasury bills, Tax Anticipation Series, dated December 15, 1955, maturing March 23, 1956, which has been accepted at the rate of (per 100), in the amount of \$ (maturity value), please issue and make delivery of the bills as instructed below.

Settlement will be made as indicated below:

- By credit to Treasury Tax and Loan Account (not more than 60 percent of total amount payable, rounded to the next higher \$1,000) as indicated in the attached Certificate of Deposit \$.....
- By charge to our reserve account, which you are authorized to make \$.....
- By check in funds available on issue date \$.....
- By cash \$.....
- Total payment..... \$.....

Issue bills in the following denominations			(Please do not use this space)		Dispose of bills as indicated below	
Pieces	Denomination	Maturity value	Numbers			
	\$ 1,000				<input type="checkbox"/>	1. Deliver over the counter to the undersigned
	5,000				<input type="checkbox"/>	2. Ship to the undersigned
	10,000				<input type="checkbox"/>	3. Hold in safekeeping (for member bank only)
	100,000				<input type="checkbox"/>	4. Hold as collateral for Treasury Tax and Loan Account
	500,000				<input type="checkbox"/>	5. Special instructions:
	1,000,000					
	Totals—					

IMPORTANT: No changes in delivery instructions will be accepted.

The undersigned (if a bank or trust company) hereby certifies that the Treasury bills which you are hereby instructed to dispose of in the manner indicated in item 3 or 4 above are the sole property of the undersigned.

(Fill in all required spaces before signing)

Name of subscriber
(Please print)
By, By
(Official signature required)
Title, Title
Address

(Spaces below are for the use of Federal Reserve Bank of New York)

Government Bond Department	Security Custody Department	Safekeeping Department
Payment received signed:	Taken from vault	Checked
Deliver against payment of \$.....	Counted	Delivered
signed:	Checked	

DELIVERY RECEIPT

Received from Federal Reserve Bank of New York, Fiscal Agent of the United States, the above described Treasury bills allotted in the amount indicated above.

Date..... Subscriber..... By.....

If payment is to be made by credit to Treasury Tax and Loan Account, the following Certificate of Deposit should be officially executed.

FEDERAL RESERVE BANK OF NEW YORK
GOVERNMENT BOND DEPARTMENT

(This certificate must be executed when subscriber is making payment through Treasury Tax and Loan Account; payment through that Account may not exceed 60 percent of amount payable on Treasury bills allotted.)

Certificate of Deposit in Treasury Tax and Loan Account

The undersigned depository certifies that it will deposit on December 15, 1955, 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 partial payment of \$ (maturity value) Treasury bills, Tax Anticipation Series, dated December 15, 1955, due March 23, 1956, allotted as per Notice of Allotment dated December 9, 1955.

.....
(Name of depository)
By.....
(Official signature required) (Title)
Street address
.....
(City, Town or Village, P. O. No., and State)

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LETTER OF INSTRUCTIONS

To FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
Government Bond Department,
New York 45, N. Y.

From _____ (Date)

Referring to our [] competitive [] noncompetitive tender for Treasury bills, Tax Anticipation Series, dated December 15, 1955, maturing March 23, 1956, which has been accepted at the rate of _____ (per 100), in the amount of \$ _____ (maturity value), please issue and make delivery of the bills as instructed below.

Settlement will be made as indicated below:

- By credit to Treasury Tax and Loan Account (not more than 60 percent of total amount payable, rounded to the next higher \$1,000) as indicated in the attached Certificate of Deposit \$.....
By charge to our reserve account, which you are authorized to make \$.....
By check in funds available on issue date \$.....
By cash \$.....
Total payment..... \$.....

Table with columns: Issue bills in the following denominations (Pieces, Denomination, Maturity value), (Please do not use this space) Numbers, and Dispose of bills as indicated below (List of instructions 1-5).

IMPORTANT: No changes in delivery instructions will be accepted.

The undersigned (if a bank or trust company) hereby certifies that the Treasury bills which you are hereby instructed to dispose of in the manner indicated in item 3 or 4 above are the sole property of the undersigned.

(Fill in all required spaces before signing)

Name of subscriber (Please print)

By By (Official signature required)

Title Title

Address

(Spaces below are for the use of Federal Reserve Bank of New York)

Table with 3 columns: Government Bond Department, Security Custody Department, Safekeeping Department. Rows include Payment received, Taken from vault, Counted, Checked, Deliver against payment, Delivered.

DELIVERY RECEIPT

Received from Federal Reserve Bank of New York, Fiscal Agent of the United States, the above described Treasury bills allotted in the amount indicated above.

Date..... Subscriber..... By.....

FEDERAL RESERVE BANK OF NEW YORK

TB

PENDING DELIVERY TICKET
OF UNITED STATES OF AMERICA TREASURY BILLS
TAX ANTICIPATION SERIES

December 9, 1955.

Your competitive noncompetitive tender for Treasury bills, Tax Anticipation Series, dated December 15, 1955, maturing March 23, 1956, has been accepted at the rate of _____ (per 100), in the amount of \$ _____ (maturity value).

	Date	Treas. Tax & Loan Acc.	Charge	Cash	Delivery teller
Allotment					
Premium and/or interest					
Purchase price			Disposition		
Deposit		Over counter	Safekeeping	Gov. Deposit	Ship
Principal due					
Refund		Special delivery instructions			
Balance					
Accrued interest					
Amount due					

FEDERAL RESERVE BANK OF NEW YORK

TB

FILLED ALLOTMENT DELIVERY TICKET
OF UNITED STATES OF AMERICA TREASURY BILLS
TAX ANTICIPATION SERIES

December 9, 1955.

Your competitive noncompetitive tender for Treasury bills, Tax Anticipation Series, dated December 15, 1955, maturing March 23, 1956, has been accepted at the rate of _____ (per 100), in the amount of \$ _____ (maturity value).

PAR		PRINCIPAL			DISCOUNT		METHOD OF PAYMENT	DISPOSITION
MASTER								

FIGURED	CHECKED
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SECURITIES DEPARTMENT COPY
TAX ANTICIPATION SERIES

December 9, 1955.

Your competitive noncompetitive tender for Treasury bills, Tax Anticipation Series, dated December 15, 1955, maturing March 23, 1956, has been accepted at the rate of _____ (per 100), in the amount of \$ _____ (maturity value).

FEDERAL RESERVE BANK OF NEW YORK

TB

NOTICE OF ALLOTMENT
OF UNITED STATES OF AMERICA TREASURY BILLS
TAX ANTICIPATION SERIES

December 9, 1955.

Your competitive noncompetitive tender for Treasury bills, Tax Anticipation Series, dated December 15, 1955, maturing March 23, 1956, has been accepted at the rate of _____ (per 100), in the amount of \$ _____ (maturity value).