

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 4408]
January 7, 1957]

Offering of \$1,600,000,000 of 159-Day Treasury Bills To Be Designated "Tax Anticipation Series"

Dated January 16, 1957

Maturing June 24, 1957

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,
Monday, January 7, 1957.

TREASURY DEPARTMENT
Washington

The Treasury Department, by this public notice, invites tenders for \$1,600,000,000, or thereabouts, of 159-day Treasury bills, for cash and in exchange for Treasury bills maturing January 16, 1957, in the amount of \$1,602,748,000, 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 January 16, 1957, and they will mature June 24, 1957. They will be accepted at face value in payment of income and profits taxes due on June 15, 1957, 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 June 15, 1957, income and profits taxes have the privilege of surrendering them to any Federal Reserve Bank or Branch or to the Office of the Treasurer of the United States, Washington, not more than fifteen days before June 15, 1957, 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 June 15, 1957, to the District Director of Internal Revenue for the district in which such taxes are payable. The bills 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, Friday, January 11, 1957. 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 \$200,000 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 January 16, 1957, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 16, 1957. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

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 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, Friday, January 11, 1957, 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. *Payment for the Treasury bills cannot be made by credit through the Treasury Tax and Loan Account. Settlement must be made in cash or other immediately available funds or in Treasury bills maturing January 16, 1957.*

ALFRED HAYES,
President.

Payment by credit through Treasury Tax and Loan Account will not be permitted.

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 159-DAY TREASURY BILLS
TO BE DESIGNATED "TAX ANTICIPATION SERIES"**

Dated January 16, 1957

Maturing June 24, 1957

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

Dated at
..... 1957

COMPETITIVE BID

Pursuant to the provisions of Treasury Department Circular No. 418, Revised, and to the provisions of the public notice on January 7, 1957, 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 surrender of maturing Treasury bills amounting to \$.....
- 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 January 16, 1957, and are to mature on June 24, 1957.

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 copartnership, by, 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."**

Payment by credit through Treasury Tax and Loan Account will not be permitted.

(OVER)

FEDERAL RESERVE BANK OF NEW YORK

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

January 11, 1957.

Your competitive noncompetitive tender for Treasury bills (Tax Anticipation Series), dated January 16, 1957, maturing June 24, 1957, has been accepted at the rate of _____ (per 100), in the amount of \$ _____ (maturity value).

Settlement therefor must be made at the Federal Reserve Bank of New York on or before January 16, 1957, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 16, 1957.

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.

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 Division,
New York 45, N. Y.

From _____ (Date)

Referring to our competitive noncompetitive tender for Treasury bills (Tax Anticipation Series), dated January 16, 1957, maturing June 24, 1957, 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 cash \$..... By check in funds available on issue date \$.....

By charge to our reserve account, which you are authorized to make ... \$.....

(Payment cannot be made through Treasury Tax and Loan Account)

Issue bills in the following denominations			<i>(Please do not use this space)</i>			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 account of member bank only)
	100,000					<input type="checkbox"/>	4. Hold as collateral for Treasury Tax and Loan Account
	500,000					<input type="checkbox"/>	5. Allotment transfer (see list attached)
	1,000,000					<input type="checkbox"/>	6. Special instructions:
	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 Division	Security Custody Department	Safekeeping Division
Payment received		
signed: _____	Taken from vault	Checked
Deliver against payment	Counted	Delivered
of \$.....	Checked	
signed: _____		

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.....

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LETTER OF INSTRUCTIONS

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

From (Date)

Referring to our [] competitive [] noncompetitive tender for Treasury bills (Tax Anticipation Series), dated January 16, 1957, maturing June 24, 1957, 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 cash \$..... By check in funds available on issue date \$.....
By charge to our reserve account, which you are authorized to make ... \$.....

(Payment cannot be made through Treasury Tax and Loan Account)

Table with 3 main columns: Issue bills in the following denominations, (Please do not use this space), and Dispose of bills as indicated below. Includes rows for denominations (1,000 to 1,000,000) and disposal options (1-6).

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 Division, Security Custody Department, and Safekeeping Division. Rows include Payment received, Deliver against payment, Taken from vault, Counted, and 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 Taken from vault Checked By
Deliver against payment Counted Delivered

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FEDERAL RESERVE BANK OF NEW YORK
 PENDING DELIVERY TICKET
 OF UNITED STATES OF AMERICA TREASURY BILLS
 TAX ANTICIPATION SERIES

January 11, 1957.

Your competitive noncompetitive tender for Treasury bills (Tax Anticipation Series), dated January 16, 1957, maturing June 24, 1957, has been accepted at the rate of _____ (per 100), in the amount of \$ _____ (maturity value).

PAR			PRINCIPAL			DISCOUNT			METHOD OF PAYMENT			DISPOSITION		
MASTER														

FEDERAL RESERVE BANK OF NEW YORK

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

January 11, 1957.

Your competitive noncompetitive tender for Treasury bills (Tax Anticipation Series), dated January 16, 1957, maturing June 24, 1957, has been accepted at the rate of _____ (per 100), in the amount of \$ _____ (maturity value).

TAB**SECURITIES DEPARTMENT COPY****TAX ANTICIPATION SERIES**

January 11, 1957.

Your competitive noncompetitive tender for Treasury bills (Tax Anticipation Series), dated January 16, 1957, maturing June 24, 1957, has been accepted at the rate of (per 100), in the amount of \$ (maturity value).

RECORDS STORAGE OFFICE, ITHACA, N. Y.

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FEDERAL RESERVE BANK OF NEW YORK

NOTICE OF ALLOTMENT

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

TAB

January 11, 1957.

Your competitive noncompetitive tender for Treasury bills (Tax Anticipation Series), dated January 16, 1957, maturing June 24, 1957, has been accepted at the rate of _____ (per 100), in the amount of \$ _____ (maturity value).