

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

[Circular No. 4516]  
[October 15, 1957]

**DATING OF DEPOSITARY RECEIPTS  
BY DEPOSITARIES FOR FEDERAL TAXES**

*To All Incorporated Banks and Trust Companies in the Second  
Federal Reserve District Qualified as Depositaries for Federal Taxes:*

On the reverse of this circular is a copy of a communication that the Treasury Department has asked us to transmit to you. The communication stresses the requirement that Depositaries for Federal Taxes indicate on the reverse side of each depositary receipt the date on which the deposit was actually *received*.

A similar communication from the Treasury was transmitted with our Circular No. 4289, dated December 5, 1955. The Treasury is now re-emphasizing the requirement of proper dating of receipts because a number of depositaries are still not complying with that requirement. This failure to comply is causing unnecessary work for the Internal Revenue Service, the taxpayers, and in some cases the depositaries themselves. Some taxpayers have already begun to send their remittances directly to the Federal Reserve Banks to avoid this extra work and the imposition of penalties resulting from the failure of the depositaries to date the receipts properly.

Additional copies of this circular will be furnished upon request.

ALFRED HAYES,  
*President.*

TREASURY DEPARTMENT  
FISCAL SERVICE  
WASHINGTON, D. C.

*To all incorporated banks and trust companies qualified as  
Depositaries for Federal Taxes, pursuant to Treasury  
Department Circular No. 848 (Revised), dated June  
25, 1951, as amended.*

SUBJECT: Endorsing and dating of depositary receipts on the  
reverse thereof by Depositaries for Federal Taxes.

Treasury Department Circular No. 848 (Revised), dated June 25, 1951, as amended, provides in Section 6 — Procedure to be Followed by Depositaries for Federal Taxes, Sub-section (c), that “Depositaries will endorse each depositary receipt in the space provided on the reverse thereof, indicating the name of the depositary and the date on which the tax deposit was received by the depositary.” District Directors of Internal Revenue examine all depositary receipts to ascertain if taxpayers are complying with regulations governing tax deposits, and the timeliness of deposits made with Depositaries for Federal Taxes is determined by the date contained in the endorsement on the reverse of the depositary receipt.

Section 6656 of the Internal Revenue Code of 1954 provides for imposition of penalties on any person required to make deposits of taxes if such tax deposits are not made on or before the date prescribed therefor. Application of this penalty provision has resulted in a considerable number of complaints from taxpayers who allege that their deposits were made with the depositary prior to the date shown in the depositary’s endorsement on the reverse of the depositary receipt. In some instances taxpayers are adopting the practice of sending their depositary receipts and related remittances directly to the Federal Reserve Banks to avoid the inconvenience of replying to inquiries from the Internal Revenue Service and the further possibility of a penalty assessment, all of which is caused indirectly by depositaries failing to follow instructions with respect to the proper dating of depositary receipts.

The Treasury Department wishes to emphasize the importance of the date in the endorsement on the reverse of depositary receipts, in view of the penalty provision of Section 6656 of the Internal Revenue Code of 1954. The requirement is mandatory that Depositaries for Federal Taxes, and branches of such depositary banks, indicate the date that tax deposits are actually *received*, regardless of whether the depositaries are able to credit their Treasury Tax and Loan accounts or otherwise function the depositary receipts and transmit them to the Federal Reserve Bank or Branch on the same date. Depositaries for Federal Taxes should instruct and request their tellers and other bank personnel to record on the depositary receipt form the date it was actually received by them for processing.

W. T. HEFFELFINGER  
*Fiscal Assistant Secretary.*

October 2, 1957