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FEDERAL RESERVE BOARD

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July 15, 1920.

X-1978

Subject: Tax Exemptions on Telegraph
 and Telephone Service.

Dear Sir:-

There are enclosed herewith 300 blank forms (which have been approved by the Commissioner of Internal Revenue) for use by Federal Reserve Banks in claiming exemption, under the provisions of Section 7 of the Federal Reserve Act, from Federal tax imposed upon telegraph and telephone service by Section 500 of the Revenue Act of 1918. These forms, when properly filled out, will entitle your Bank to exemption from the Federal tax on all telegraph and telephone service rendered to it, including leased wire telegraph and telephone service, individual telegraph and long distance telephone messages, and local telephone service, providing, of course, that the charges have been incurred in the performance of the official duties of your Bank and are to be paid by it.

It is suggested that preparatory to the use of these forms your Bank advise the telegraph and telephone companies which are under contract to render telegraph or telephone services to it that in the future these forms will be used in claiming exemption from the tax on telegraph and telephone services, and request that when bills are rendered to cover the charge for these services, the amount of the charge and the amount of the tax be itemized separately so that the certificate form may be properly executed.

Very truly yours,

Enclosure.

Assistant Secretary.

To Governors of all F.R. Banks.