

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

X-9775

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD



December 30, 1936.

Dear Sir:

For your information and assistance in answering inquiries which you may receive from holding company affiliates in your district, there is inclosed herewith a copy of a telegram recently received from the Federal Reserve Bank of San Francisco, together with a copy of the Board's reply thereto, relating to the tax credit allowed holding company affiliates under the provisions of section 26(d) of the Revenue Act of 1936.

Very truly yours,

A handwritten signature in cursive script, appearing to read "L. P. Bethea".

L. P. Bethea,  
Assistant Secretary.

Inclosures.

TO PRESIDENTS OF ALL FEDERAL RESERVE BANKS

COPY

X-9775-a

TELEGRAM

San Francisco Dec. 15, 1936.

1006A

Board

Washington

Relet X-9737-a. Have received inquiry as to Board's policy regarding certification to Commissioner of Internal Revenue in connection with special credit allowed holding company affiliates, particularly as to data required to enable Board to make such certification and whether certification may reasonably be expected upon submission of such data, information is desired by holding company affiliate for guidance in formulating its dividend policy.

Sargent

1220 P

COPY

TELEGRAM  
BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

X-9775-b

Washington

December 30, 1936.

SARGENT  
SAN FRANCISCO

Retel December 15 concerning X-9737-a. It is suggested that attention of holding company affiliate be directed to requirement that if it claims credit it must attach to its tax return a supplementary statement setting forth all facts and information upon which its claim for credit is predicated, and that it be advised that, in view of the material differences in the situations of the various holding company affiliates and the difficulties of attempting to anticipate definitely the particular questions that may arise in each case, the Board believes that it is not practicable for it to prescribe in advance the requirements as to particular facts and information which will be needed in order to enable it to make the required certification. If credit is claimed by holding company affiliate in its tax return, Board will make required certification, upon request of Commissioner of Internal Revenue, if, in addition to facts and information set forth in aforesaid supplemental statement, holding company affiliate furnishes such further facts and information, if any, as the Board may deem necessary. Such certification will be made as soon as possible after the Board has had an opportunity to consider all of the pertinent facts and information submitted by the holding company affiliate or obtained by the

Board by means of such investigation as it may deem necessary. It will, of course, be Board's policy to cooperate with holding company affiliates in this matter to fullest extent practicable in all the circumstances.

(Signed) Chester Morrill

MORRILL