TAXATION AND REVENUE: Liability for Missouri intangible personal property tax of the St. Louis Bank for Cooperatives.

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Mr. Haskell Holman
Supervisor, Income Tax Unit
Division of Collection
Department of Revenue
Jefferson City, Missouri

Dear Sir:

Reference is made to your letter of recent date, requesting an official opinion of this office, and reading as follows:

> "Please furnish this department with a written opinion as to whether or not the St. Louis Bank for Cooperatives would be subject to the provisions of either House Bill 868, 888 or 948."

House Bills 868, 888 and 948 of the 63rd General Assembly, referred to in your letter of inquiry, relate, respectively, to the method of imposing and collecting a tax upon the intangible personal property of individuals and certain other legal entities, to the taxation of banks in Missouri based upon their net incomes, and to the taxation of credit institutions based upon their net incomes. However, in the conclusion which we have reached in this matter, we deem it immaterial to quote the provisions of these various Acts.

The St. Louis Bank for Cooperatives has been organized under the provisions of the Farm Credit Act of 1933, Act June 16, 1933, of the Congress of the United States. Included in the Act authorizing the incorporation of such banks, we find Section 1138c of Title 12, U.S.C.A. We quote the following from this section:

> * * * * Banks for Cooperatives, organized under this chapter, and their obligations,

> shall be deemed to be instrumentalities of the United States, and as such, any and all notes, debentures, bonds, and other such obligations issued by such banks, associations, or corporations shall be exempt both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or by any State, Territorial, or local taxing authority. Such banks, associations, and corporations, their property, their franchises, capital, reserves, surplus, and other funds, and their income shall be exempt from all taxation now or hereafter imposed by the United States or by any State, Territorial, or local taxing authority; except that any real property and any tangible personal property of such banks, associations, and corporations shall be subject to Federal, State, Territorial, and local taxation to the same extent as other similar property is taxed. The exemption provided herein shall not apply with respect to any * * * Bank for Cooperatives or its property or income after the stock held in it by the United States has been retired." (Emphasis ours.)

This statute clearly has the effect of exempting the St. Louis Bank for Cooperatives from the imposition of the taxes levied under the provisions of the House Bills mentioned.

CONCLUSION

In the premises, we are of the opinion that the St. Louis Bank for Cooperatives is not subject to the taxes imposed by either House Bills 868, 888 or 948 of the 63rd General Assembly, unless the stock held in such bank by the United States has been retired.

Respectfully submitted,

WILL F. BERRY, Jr.
Assistant Attorney General

APPROVED:

J. E. TAYLOR
Attorney General

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