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CHAPTER EIGHT

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Definition of words "bank," "banker."

SEC. 3407. Every incorporated or other bank, and every person, firm, or company having a place of business where credits are opened by the deposit or collection of money or currency, subject to be paid or remitted upon draft, check, or order, or where money is advanced or loaned on stocks, bonds, bullion, bills of exchange, or promissory notes, or where stocks, bonds, bullion, bills of exchange, or promissory notes are received for discount or for sale, shall be regarded as a bank or as a banker.

30 June, 1864, c. 173, s. 79, v. 13, p. 251.
13 July, 1866, c. 184, s. 9, v. 14, p. 115.

Tax on deposits.

SEC. 3408. There shall be levied, collected, and paid, as hereafter provided:

First. A tax of one twenty-fourth of one per centum each month upon the average amount of the deposits of money, subject to payment by check or draft, or represented by certificates of deposit or otherwise, whether payable on demand or at some future day, with any person, bank, association, company, or corporation, engaged in the business of banking;

30 June, 1864, c. 173, s. 110, v. 13, p. 277.
13 July, 1866, c. 184, s. 9, v. 14, pp. 137, 146.
6 June, 1872, c. 315, s. 37, v, 17, p. 625.

Oulton *vs.* Savings Institution, 17 Wall., 109.

Tax on capital employed.

Second. A tax of one twenty-fourth of one per centum each month upon the capital of any bank, association, company, corporation, and on the capital employed by any person in the business of banking beyond the average amount invested in United States bonds: *Provided*, That the words "capital employed" shall not include money borrowed or received from day to day, in the usual course of business, from any person not a partner of or interested in the said bank, association, or firm;

Ibid.

Tax on circulation.

Third. A tax of one-twelfth of one per centum each month upon the average amount of circulation issued by any bank, association, corporation, company, or person, including as circulation all certified checks and all notes and other obligations calculated or intended to circulate or to be used as money, but not including that in the vault of the bank, or redeemed and on deposit for said bank; and an additional tax of one-sixth of one per centum each month upon the average amount of such circulation, issued as aforesaid, beyond the amount of ninety per centum of the capital of any such bank, association, corporation, company, or person.

Ibid.

On circulation of branch banks.

In the case of banks with branches, the tax herein provided shall be assessed upon the circulation of each branch severally, and the amount of capital of each branch shall be considered to be the amount allotted to it.

Ibid.

Exemptions on deposits in savings-banks.

The deposits in associations or companies known as provident institutions, savings-banks, savings-funds, or savings-institutions, having no capital stock and doing no other business than receiving deposits to be loaned or invested for the sole benefit of the parties making such deposits, without profit or compensation to the association or company, shall be exempt from tax on so much of their deposits as they have invested in securities of the United States, and on all deposits not exceeding two thousand dollars made in the name of any one person.

Ibid.

Taxes, when payable.

SEC. 3409. The taxes provided in the preceding section shall be paid semi-annually, on the first day of January and the first day of July; but the same shall be calculated at the rate per month as prescribed by said section, so that the tax for six months shall not be less than the aggregate would be if such taxes were collected monthly.

6 June, 1872, c. 315, s. 37, v. 17, p. 256.
30 June, 1864, c. 173, s. 110, v. 13, p. 277. 13 July, 1866, c. 184, s. 9, v. 14, p. 146.

Capital of banks expired or converted into national banks.

SEC. 3410. The capital of any State bank or banking association which has ceased or shall cease to exist, or which has been or shall be converted into a national bank, shall be assumed to be the capital as it existed immediately before such bank ceased to exist or was converted as aforesaid.

3 March, 1865, c. 78, s. 14, v. 13, p. 486.
13 July, 1866, c. 184, s. 9 *bis*, v. 14, p. 146.

Circulation, when exempted from tax.

SEC. 3411. Whenever the outstanding circulation of any bank, association, corporation, company, or person is reduced to an amount not exceeding five per centum of the chartered or declared capital existing at the time the same was issued, said circulation shall be free from taxation; and whenever any bank which has ceased to issue notes for circulation deposits in the Treasury of the United States, in lawful money, the amount of its outstanding circulation, to be redeemed at par, under such regulations as the Secretary of the Treasury shall prescribe, it shall be exempt from any tax upon such circulation.

3 March, 1865, c. 78, s. 14, v. 13, p. 486.
13 July, 1866, c. 184, s. 9 *bis*, v. 14, p. 146.

Tax on notes of persons or State banks used as circulation, &c.

SEC. 3412. Every national banking association, State bank, or State banking association, shall pay a tax of ten per centum on the amount of notes of any person, or of any State bank or State banking association, used for circulation and paid out by them.

3 March, 1865, c. 78, s. 6, v. 13, p. 484. 13 July, 1866, c. 184, s. 9 *bis*, v. 14, p. 146. 26 March, 1867, c. 8, s. 2, v. 15, p. 6.—Veazie Bank *vs.* Fenno, 8 Wall., 533.

Tax on notes of town, city, or municipal corporations, paid out by banks, &c.

SEC. 3413. Every national banking association, State bank, or banker, or association, shall pay a tax of ten per centum on the amount of notes of any town, city, or municipal corporation, paid out by them.

Ibid.

Banks' and bankers' monthly returns.

SEC. 3414. A true and complete return of the monthly amount of circulation, of deposits, and of capital, as aforesaid, and of the monthly amount of notes of persons, town, city, or municipal corporation, State banks, or State banking associations paid out as aforesaid for the previous six months, shall be made and rendered in duplicate on the first day of December and the first day of June, by each of such banks, associations, corporations, companies, or persons, with a declaration annexed thereto, under the oath of such person, or of the president or cashier of such bank, association, corporation, or company, in such form and manner as may be prescribed by the Commissioner of Internal Revenue, that the same contains a true and faithful statement of the amounts subject to tax, as aforesaid; and one copy shall be transmitted to the collector of the district in which any such bank, association, corporation, or company is situated, or in which such person has his place of business, and one copy to the Commissioner of Internal Revenue.

30 June, 1864, c. 173, s. 110, v. 13, p. 278.
13 July, 1866, c. 184, s. 9, v. 14, p. 147.
26 March, 1867, c. 8, s. 2, v. 15, p. 6.
6 June, 1872, c. 315, s. 37, v. 17, p. 256.
24 Dec., 1872, c. 13, s. 5, v. 17, p. 403.

In default of return, commissioner to estimate, &c.

SEC. 3415. In default of the returns provided in the preceding section, the amount of circulation, deposit, capital, and notes of persons, town, city, and municipal corporations, State banks, and State banking associations paid out, as aforesaid, shall be estimated by the Commissioner of Internal Revenue, upon the best information he can obtain. And for any refusal or neglect to make return and payment, any such bank, association, corporation, company, or person so in default shall pay a penalty of two hundred dollars, besides the additional penalty and forfeitures provided in other cases.

30 June, 1864, c. 173, s. 110, v. 13, p. 278.
13 July, 1866, c. 184, s. 9, v. 14, p. 146.
24 Dec., 1872, c. 13, s. 2, v. 17, p. 402.

State banks converted into national banks; returns, how made.

SEC. 3416. Whenever any State bank or banking association has been converted into a national banking association, and such national banking association has assumed the liabilities of such State bank or banking association, including the redemption of its bills, by any agreement or

understanding whatever with the representatives of such State bank or banking association, such national banking association shall be held to make the required return and payment on the circulation outstanding, so long as such circulation shall exceed five per centum of the capital before such conversion of such State bank or banking association.

3 March, 1865, c. 78, s. 14, v. 13, p. 486.
13 July, 1866, c. 184, s. 9 *bis*, v. 14, p. 146.

SEC. 3417. The provisions of this chapter, relating to the tax on the deposits, capital, and circulation of banks, and to their returns, except as contained in sections thirty-four hundred and ten, thirty-four hundred and eleven, thirty-four hundred and twelve, and thirty-four hundred and sixteen, and such parts of sections thirty-four hundred and fourteen, and thirty-four hundred and fifteen as relate to the tax of ten per centum on certain notes, shall not apply to associations which are taxed under and by virtue of Title "NATIONAL BANKS."

Provisions for bank tax and returns not to apply to national banks.

30 June, 1864, c. 173, s. 110, v. 13, p. 278.
13 July, 1866, c. 184, s. 9, v. 14, p. 146.

CHAPTER NINE.

STAMP-TAXES ON SPECIFIC OBJECTS.

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3437. Assessment of unpaid taxes payable by stamps.
Schedule A.

SEC. 3418. There shall be levied, collected, and paid for and in respect of every bank-check, draft, or order for the payment of money, drawn upon any bank, banker, or trust company, at sight or on demand, by any person who makes, signs, or issues the same, or for whose use or benefit the same is made, signed, or issued, two cents.

Tax on bank-checks.

30 June, 1864, c. 173, s. 151, v. 13, pp. 291, 298.
6 June, 1872, c. 315, s. 36, v. 17, p. 256.

SEC. 3419. There shall be levied, collected, and paid on the articles mentioned in Schedule A, and in the manner hereinafter provided, the taxes mentioned in said schedule; and all the provisions of this chapter relating to dies, stamps, adhesive stamps, and stamped duties, shall extend to and include (except where otherwise provided for, or manifestly impracticable) all the articles or objects enumerated in schedule marked A, subject to stamp duties, and shall apply to the provisions in relation thereto.

Tax on medicines or preparations, perfumery, cosmetics, &c.

30 June, 1864, c. 173, s. 168, v. 13, pp. 296, 301.
13 July, 1866, c. 184, s. 9, v. 14, p. 146. 5 March, 1872, c. 33, v. 17, p. 36.

SEC. 3420. All bank-checks, drafts, or orders, as aforesaid, issued by the officers of the United States Government, or by officers of any State, county, town, or other municipal corporation, are exempt from taxation: *Provided*, That it is the intent hereby to exempt from liability to taxation such State, county, town, or other municipal corporations in the exercise only of functions strictly belonging to them in their ordinary governmental and municipal capacity.

Official checks exempt.

13 July, 1866, c. 184, s. 9, v. 14, p. 141.
30 June, 1864, c. 173, s. 154, v. 13, p. 292.