

**CHAPTER 4—TAXATION****SUBCHAPTER I—FEDERAL RESERVE BANKS**

Sec.

531. Exemption from taxation.

**SUBCHAPTER II—NATIONAL BANK CIRCULATION**

541. Tax on circulating notes generally.

542 to 547. Omitted or Repealed.

**SUBCHAPTER III—NATIONAL BANK SHARES**

548. State taxation.

**SUBCHAPTER IV—STATE BANK CIRCULATION**

561 to 570. Omitted.

**SUBCHAPTER I—FEDERAL RESERVE  
BANKS****§ 531. Exemption from taxation**

Federal reserve banks, including the capital stock and surplus therein and the income derived therefrom shall be exempt from Federal, State, and local taxation, except taxes upon real estate.

(Dec. 23, 1913, ch. 6, §7(c), 38 Stat. 258; Mar. 3, 1919, ch. 101, §1, 40 Stat. 1314; Pub. L. 103-66, title III, §3002(c)(2), Aug. 10, 1993, 107 Stat. 338.)

**Editorial Notes****CODIFICATION**

Section is comprised of subsec. (c) [formerly third undesignated par.] of section 7 of act Dec. 23, 1913. Subsec. (a) of section 7 and subsec. (b) [enacted by Pub. L. 106-113, div. B, §1000(a)(5) [title III, §302(2)], Nov. 29, 1999, 113 Stat. 1536, 1501A-304] of section 7 are classified to section 289 of this title. Another subsec. (b) of section 7 is classified to section 290 of this title.

**AMENDMENTS**

1993—Pub. L. 103-66 inserted section catchline.

**SUBCHAPTER II—NATIONAL BANK  
CIRCULATION****§ 541. Tax on circulating notes generally**

In lieu of all existing taxes, every association shall pay to the Treasurer of the United States, in the months of January and July, a duty of one-half of 1 per centum each half year upon the average amount of its notes in circulation.

(R.S. §5214; Mar. 3, 1883, ch. 121, §1, 22 Stat. 488.)

**Editorial Notes****CODIFICATION**

R.S. §5214 derived from act June 3, 1864, ch. 106, §41, 13 Stat. 111, which was part of the National Bank Act. See section 38 of this title.

**§ 542. Omitted****Editorial Notes****CODIFICATION**

Section, act Mar. 14, 1900, ch. 41, §13, 31 Stat. 49, related to tax on circulating notes secured by 2 per centum bonds.

**§ 543. Repealed. Pub. L. 97-258, §5(b), Sept. 13, 1982, 96 Stat. 1068**

Section, act Dec. 21, 1905, ch. 3, §1, 34 Stat. 5, related to tax on circulating notes secured by Panama Canal 2

per centum bonds and rights and privileges of such bonds.

**§§ 544 to 547. Omitted****Editorial Notes****CODIFICATION**

Section 544, R.S. §5215; act Mar. 3, 1883, ch. 121, §1, 22 Stat. 488, related to half-yearly return of circulation.

Section 545, R.S. §5216; act Mar. 3, 1883, ch. 121, §1, 22 Stat. 488, related to penalty for failure to make return.

Section 546, R.S. §5217, related to enforcing tax on circulation.

Section 547, R.S. §5218; act June 10, 1921, ch. 18, §304, 42 Stat. 24, related to refunding excess tax.

**Statutory Notes and Related Subsidiaries****REPEALS**

Effective July 1, 1935, the permanent appropriation provided for in former section 547 of this title was repealed by act June 26, 1934, ch. 756, §2, 48 Stat. 1226, such act authorizing in lieu thereof, an annual appropriation from the general fund of the Treasury.

**REDEMPTION OF BONDS; TERMINATION OF CIRCULATING  
NOTES**

In a communication from the Treasury Department dated February 17, 1941, it was stated "The Secretary of the Treasury called for redemption the only outstanding issues of United States bonds bearing the circulation privilege as follows:

"2% Consols. of 1930, as of July 1, 1935,

"2% Panama Canal bonds of 1916-36, and

"2% Panama Canal bonds of 1918-38, as of August 1, 1935.

"The retirement of these issues automatically put an end to National Bank note circulation and the collection of the tax thereon."

**SUBCHAPTER III—NATIONAL BANK  
SHARES****§ 548. State taxation**

For the purposes of any tax law enacted under authority of the United States or any State, a national bank shall be treated as a bank organized and existing under the laws of the State or other jurisdiction within which its principal office is located.

(R.S. §5219; Mar. 4, 1923, ch. 267, 42 Stat. 1499; Mar. 25, 1926, ch. 88, 44 Stat. 223; Pub. L. 91-156, §§1(a), 2(a), Dec. 24, 1969, 83 Stat. 434.)

**Editorial Notes****CODIFICATION**

R.S. §5219 derived from act June 3, 1864, ch. 106, §41, 13 Stat. 111, which was the National Bank Act, and act Feb. 10, 1868, ch. 7, 15 Stat. 34. See section 38 of this title.

**AMENDMENTS**

1969—Pub. L. 91-156, §2(a), substituted provisions directing that national banks, for purposes of both Federal and State tax laws, be treated as banks organized and existing under the laws of the State or other jurisdiction within which each bank's principal office is located for provisions placing restrictions on the taxation of national bank shares and, for the period until the effective date of such amendment, set out interim provisions regarding intangible personal property taxes of States and local governments on national banks.

Pub. L. 91-156, §1(a), added par. 5.