



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

January 30, 1992

William Donovan
National Association of
Federal Credit Unions
P.O. Box 3769
Washington, D.C. 20007

Dear Bill:

Enclosed, in response to your recent request is an updated letter concerning the ~~tax exempt~~ status of federal credit unions.

Please feel free to use or distribute the letter as you see fit.

Sincerely,

Robert M. Fenner
General Counsel

Enclosure

GC/MM:sg
SSIC 3600
92-0109A

FOIA Vol. V, B, 1 Sales and USE Taxes



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TO WHOM IT MAY CONCERN:

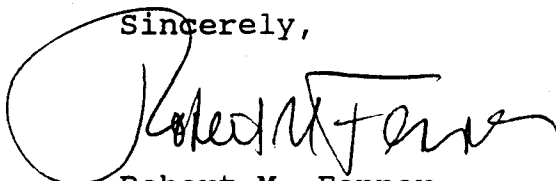
On behalf of the National Credit Union Administration, the Federal government agency established by Congress to regulate federal credit unions in accordance with the Federal Credit Union Act, this certifies that federal credit unions are exempt from all taxes imposed by the United States or by any State, Territorial, or local taxing authority except for local real or personal property tax. This exemption includes municipal taxes such as hotel taxes and night occupancy taxes where the legal incidence of the tax falls on the federal credit union (FCU). Furthermore, a federal credit union is entitled to the tax exemption regardless of whether the federal credit union pays (including FCU reimbursable payment by federal credit union officials and employees engaging in official credit union business) by cash, check, credit card, debit card, charge card or any other method of acceptable payment. Section 1768 of Title 12 of the United States Code, the authority which exempts all federal credit unions, is reprinted below:

12 USC 1768

"The Federal credit unions organized hereunder, their property, their franchises, capital, reserves, surpluses, 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 Federal credit unions shall be subject to Federal, State, Territorial and local taxation to the same extent as other similar property is taxed. Nothing herein contained shall prevent holdings in any Federal credit union organized hereunder from being included in the valuation of the personal property of the owners or holders thereof in assessing taxes imposed by authority of the State or political subdivision thereof in which the Federal credit union is located; but the duty or burden of collecting or enforcing the payment

of such a tax shall not be imposed upon any such Federal credit union and the tax shall not exceed the rate of taxes imposed upon holdings in domestic credit unions."

Sincerely,

A handwritten signature in black ink, appearing to read "Robert M. Fenner". The signature is written in a cursive style with a large, looping initial "R".

Robert M. Fenner
General Counsel
National Credit Union
Administration

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