

1974 WL 27757 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

May 15, 1974

*1 A mortgage held by the Federal Land Bank is not subject to documentary taxation.

Honorable Allen D. Coleman
Laurens County Treasurer
Laurens County Court House
Laurens, South Carolina 29360

Dear Allen:

Reference is made to your telephone call of yesterday concerning the issue of whether mortgages held by the Federal Land Bank were subject to the documentary tax. Enclosed is a copy of an opinion of this office of December 15, 1972, relating to notes and liquor specifically Section 1-21 of Public Law 92-181, 85 Stat. 583.

'The mortgages held by Federal Land banks and the notes, bonds, debentures, and other obligations issued by the banks or associations shall be deemed and held to be instrumentalities of the Government of the United States, and, as such, they and the income therefrom shall be exempt from all Federal, State, municipal, and local taxation, other than Federal income tax liability of the holder thereof under the Public Debt Act of 1941.'

The Federal statute specifically, therefore, precludes the taxation of a mortgage held by the Federal Land Bank, defining it to be an instrumentality of the Federal Government.

Yours very truly,

Joe L. Allen, Jr.
Assistant Attorney General

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