

fied copies of this resolution to the President of the United States, the President-Elect of the United States, the Chairman of the Committee on Foreign Affairs of the House of Representatives, the Secretary of War, the Chief of Engineers of the War Department, and to each senator and member of Congress from Minnesota.

Approved February 8, 1929.

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RESOLUTION No. 5—S. F. No. 190

*A joint resolution memorializing Congress to amend Section 5219, Revised Statutes of the United States, so as to permit the taxation of shares of National Banks upon a fair and equitable basis.*

WHEREAS the several states of the union are prohibited from taxing the personal property of national banks, and may tax their shares only as permitted by Congress under the provisions of Section 5219 of the Revised Statutes of the United States, which in effect permits the taxation of such shares only at a rate not higher than the tax imposed upon money owned by individuals and by them invested in mortgages, bonds and other securities (commonly known as money and credits) in which national banks may invest their funds; and

WHEREAS it is unfair to tax an individual so using his own funds at as high a rate as bank shares which derive the benefit of the investment returns of from seven to ten times their own amount in the form of deposits; and

WHEREAS every attempt at taxation of money and credits at more than a relatively nominal rate has always proved a failure, and the practice of taxing them at low rates has in each of the many states employing that method resulted in reaching enormously greater amounts of such property and in producing a larger revenue and in the better distribution and equalizing of the burden of maintaining government; and

WHEREAS the courts have held invalid taxes levied on bank shares in states that undertake to tax money and credits at the same rate as bank shares on the ground that a substantial part of such money and credits are not, and by reason of the failure of owners to declare them for taxation at a relatively high rate cannot be taxed at all; and

**WHEREAS** the schemes contained in Section 5219, of taxing bank shares by income or excise rather than by value, are neither practicable nor adaptable to states raising their revenue by the ad valorem method of taxation, which method has always been and now is in use by substantially all of the states in the union, and

**WHEREAS** the American Bankers Association and the associations of bankers in various states, entrenched behind the wall raised about them by this act of Congress, have declared that they do not trust state legislatures to tax them, have united in exerting every effort in opposition to relief to the states by the necessary amendment of that section, and have demanded that the states abandon their present well-tried and satisfactory methods of taxation and substitute an income or excise tax, the result of which has been to reduce the tax on bank shares by more than one-half in every one of the three states in which it has been adopted, with the consequent increase of the burden to be borne by other taxpayers; and

**WHEREAS** there is no organization corresponding to the Bankers Association to protect the interests of the general taxpaying public in the forty states whose present methods of taxing banks shares are now found to be unworkable and invalid under Section 5219; and

**WHEREAS** the deplorable situation in which these states find themselves, faced as they are with the choice of radically altering their present taxation systems in compliance with the wishes of the bankers or of virtually exempting banks from taxation, demands immediate action in the amendment of Section 5219 so as to permit the taxation of national banks on a basis that is fair and equitable to themselves and to the general taxpaying public;

**THEREFORE BE IT RESOLVED**, by the Senate of the State of Minnesota, the House of Representatives concurring, that the Congress of the United States be and the same hereby is urgently petitioned and requested to amend Section 5219, Revised Statutes of the United States so as to permit the taxation of the shares of national banks upon a fair and equitable basis, as contemplated by bills now pending before the Senate and House of Representatives of the Congress and amendments proposed thereto.

Approved February 14, 1929.

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RESOLUTION No. 6—S. F. No. 191

*A joint resolution calling on all the States of the Union interested in having amended Section 5219, Revised Statutes of the United States so as to permit the taxation of the shares of national banks*