



Credit Union: \_\_\_\_\_

Charter Number: \_\_\_\_\_

Date: \_\_\_\_\_

### LETTER OF EXEMPTION

This Letter of Exemption 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. Specifically, Section 122 of the Federal Credit Union Act (12 U.S.C. § 1768) states:

*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.*

This exemption from taxation includes municipal taxes such as hotel taxes and night occupancy taxes where the obligation of paying the tax falls on the federal credit union. As such, no tax will apply if a federal credit union employee or official is traveling on credit union business and payment for meals and lodging is made directly by the federal credit union by direct billing or use of a credit card in the name of the federal credit union. If expressly provided by state or local law, this exemption from taxation may also apply to credit union employees or officials traveling on credit union business, regardless of the method of billing or payment. Credit Unions may wish to consult legal counsel to determine the availability of this latter exemption.

Sincerely,

A handwritten signature in black ink that reads "Robert M. Fenner". The signature is written in a cursive style with a large, looped initial 'R'.

Robert M. Fenner  
General Counsel