

62F1341 (08-11)

Commonwealth of Kentucky  
**DEPARTMENT OF REVENUE**  
Office of Property Valuation  
501 High Street, Fourth Floor, Station 32  
Frankfort, KY 40601-2103

## **Exemptions Allowed for Savings and Loans, Savings Banks and Similar Institutions for Intangible Property Tax Purposes**

Every federally or state chartered savings and loan association, savings bank and other similar institution, operating solely in Kentucky, shall during January of each year, file with the Department of Revenue a report pursuant to KRS 136.290.

Also, every federally or state chartered savings and loan association, savings bank, and other similar institution authorized to transact business in this state, with property and payroll within and without this state shall, during January of each year, file a report pursuant to KRS 136.310.

KRS 136.290 and KRS 136.310 impose an ad valorem tax on the total value of each institution's capital. Any claimed exemption must be supported by specific statutory or case authority. In the absence of such authority the Department of Revenue holds all intangible property taxable.

Exempt federal obligations may be classified in the following categories:

- (1) Direct obligations of the United States such as U.S. Treasury bonds, U.S. Treasury notes and U.S. Treasury bills.
- (2) Direct obligations of U.S. government agencies.

Securities merely guaranteed by the U.S. government are taxable as intangible property.

The following list is provided as a general reference of exempt obligations from state ad valorem taxation:

### **Issuing Authority**

Banks for Cooperatives	Federal Savings and Loan Insurance Corporation
Central Banks for Cooperatives	Federal Savings and Loan Associations (Kentucky)
Commodity Credit Corporation	General Insurance Fund
Farmers Home Administration	Guam Bonds
Farmers Home Corporation	Municipal Obligations (Kentucky)
Federal Credit Union	National Farm Loan Association
Federal Deposit Insurance Corporation	Panama Canal Bonds
Federal Farm Credit Corporation	Production (Agricultural) Credit Association or Corporation
Federal Home Loan Bank (Stocks and Bonds)	Puerto Rican Bonds
Federal Housing Administration	Student Loan Marketing Association
Federal Intermediate Credit Banks	Tennessee Valley Authority
Federal Land Banks	U.S. Housing Authority
Federal Maritime Board and Maritime Administration	U.S. Postal Service Bonds
Federal Reserve Banks	Virgin Island Bonds

However, the following are taxable entities:

- Federal Home Loan Bank Deposits
- Federal Home Loan Mortgage Corporation Bonds
- Federal National Mortgage Corporation Bonds
- Government National Mortgage Corporation Bonds
- Retail Repurchase Agreements

The foregoing is not intended to be all-inclusive. For more information, call the Public Service Section at (502) 564-8175 or go to [www.revenue.ky.gov](http://www.revenue.ky.gov) to download forms.