ACC

10000/100/123

10000/100/123

WAR BONDS
JAN. - JULY 1944

Adj - Rear.
U4-818

RESTRICTED

HEADQUARTERS
PENINSULAR BASE SECTION
APO 782

AG 158 (BPAGO-P) 7 July 1944

FILE
9/7/44
gm

SUBJECT: Continuous Sale of War Bonds.

TO : See Distribution.

Letter, this headquarters, file AG 158 (BPAGO), subject: "Continuous Sale of War Bonds", dated 28 April 1944, which required monthly report of sales of War Bonds, is rescinded.

By order of Colonel OXX:

ACC- DIST
G-1 (A)
2675 Regt (2)
Adj-main

L J Roberts
L. J. ROBERTS,
1st Lt., AGD.,
Asst Adj. Gen.

168-Bonds

DISTRIBUTION:
"A" & "E"

RESTRICTED

Declassified E.O. 12356 Section 3.3/NND No. 785015

CONFIDENTIAL

ADJ-Rear

RECEIVED
8 JUL 1944
REAR HQ. A.C.C.

HEADQUARTERS
NORTH AFRICAN THEATER OF OPERATIONS
UNITED STATES ARMY
APO 534

121

FILE
8-7-44

AG 168/582 A-O

1 July 1944

SUBJECT: War Bond Sales - Puerto Rican Personnel.

TO : All Concerned.

The following information has been received from Headquarters Antilles Department and is reproduced for your information and guidance:

1. The Federal tax law prescribes that citizens of possessions of the United States, who are not residents of the United States, must pay Federal income tax on income received from sources within the continental United States. In the case of interest on War Bonds, said tax is 30%, which is computed, paid and subject to the same conditions prevailing in the case of other persons who have to pay taxes only on income received from sources within the continental United States.

2. The purpose of this provision in the Internal Revenue Code was designed to free citizens of United States possessions from the burden of general United States tax laws. Puerto Ricans are not subject to any Federal tax at all in regard to income earned or derived from sources outside the United States. Were it not for this provision, citizens of Puerto Rico would have to pay the full Federal income tax on all their income (whether earned in the United States or not), because of the fact that they are citizens. The 30% tax on interest on War Bonds does not discriminate unfairly against Puerto Ricans, for if they were taxed in the same manner as United States citizens residing in the United States, they would be subjected to a somewhat heavier tax.

3. Puerto Rico imposes a flat 28% tax on incomes of United States citizens living in the United States when such income is derived from Puerto Rican investments. While the United States tax is slightly higher, (2%), Puerto Rican tax laws allow the 30% Federal tax to be deducted from taxes imposed by the Puerto Rican statutes. When all the aspects are considered in general, it can be seen that rather than there existing a discrimination against United States citizens in Puerto Rico regarding the tax law, the discrimination is in their favor. Furthermore, interest received by continental United States citizens from War Bonds is subject to the regular Federal income tax.

4. Unquestionably, much of the discussion relating to this tax has originated with persons who are reluctant to buy War Bonds and who are using the tax as an excuse to either reduce or stop their purchases. As a matter of fact, in most cases, the tax is of such insignificant proportions that it certainly does not provide a valid reason for failure to purchase bonds. On the attached sheet there is shown a tabulation, setting forth the effect of the tax on holders of bonds of the $25.00 denomination. It is noted that no loss will occur as a result of the 30% withholding tax on interest for bonds cashed within one year

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Ltr, Hq NATOUSA, AG 168/862 A-0,
dtd 1 July 1944, (cont'd).

after date of issue. The effect of the tax on bonds of larger denominations is in exactly the same proportions as shown on the attached schedule, and this negligible amount certainly disposes of the argument that this tax is of such magnitude as to interpose any objection or reluctance to buy bonds.

By command of Lieutenant General DEVERS:

A. B. KING,
Major, AGD,
Asst Adjutant General.

1 Incl
Schedule showing effect
of tax on holders of $25.00
denomination of bonds.

DISTRIBUTION:

"X"
Plus
2 - Special Services)
2 - Morale Services) SOS, NATOUSA
2 - War Bond Officer)
2 - AG Records
1 - AG M & D
1 - AG Personnel

ACC-DIST
G-1 (A)
2675 Regt (2)
Adj-Man

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Schedule Setting Forth the Effect of the Tax on Holders of the
$25.00 Denomination of War Bonds
(Puerto Rican Personnel)

Period	Normal Increment	30% Withholding Tax
½ year	$18.75	- 0 -
½ to 1 year	18.75	- 0 -
1 to 1½ years	18.87	.04
1½ to 2 years	19.00	.08
2 to 2½ years	19.12	.12
2½ to 3 years	19.25	.15
3 to 3½ years	19.50	.23
3½ to 4 years	19.75	.36
4 to 4½ years	20.00	.38
4½ to 5 years	20.25	.45
5 to 5½ years	20.50	.53
5½ to 6 years	20.75	.60
6 to 6½ years	21.00	.68
6½ to 7 years	21.50	.83
7 to 7½ years	22.00	.98
7½ to 8 years	22.50	1.13
8 to 8½ years	23.00	1.28
8½ to 9 years	23.50	1.43
9 to 9½ years	24.00	1.58
9½ to 10 years	24.50	1.77
Maturity	25.00	1.88

2 copies Rec'd
1 - Def. 1/c + Hcls — ACTION
1 - adj file

Incl 1 to ltr, Hq, NATOUSA, file
AG 168/562 A-0, dtd 1 July 1944

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Schiff

Adm. A.C.C.

1

HEADQUARTERS
2675T [illegible]
(FORWARD ECHELON)
ALLIED CONTROL COMMISSION
(Provisional)
APO 394

29 January 1944

MEMORANDUM)
:
NUMBER 1)

FOURTH WAR BOND DRIVE

Attention: All United States Officers and Enlisted Men.

a. This is the midway point in the Fourth War Loan Drive which terminates 29 February 1944. It is desired that all U.S. military personnel increase their purchases of Class "E" War Bonds, which are sold in denominations of 25, 50, 100, 500 and 1,000 dollars, either on installments (Class B Allotments) or for cash. For obvious reasons no bonds purchased in this theatre may be delivered to the purchaser or other person outside the United States. However, the purchaser may at time of purchase cause the bonds to be registered in his own or some one else's name, may designate a co-owner with himself, may designate a beneficiary, may designate the address within the U.S. to which any such bond may be sent, or may direct that the bonds be retained in the U. S. Treasury for safe keeping and that the receipt therefore be mailed to him at his organization or to any person in the United States.

b. Installment Purchase.

(1) There are eleven (11) plans for purchase of War Bonds by Class "B" payroll deductions, as follows:

168 – Bonds
x 2675

Plan 1 -	$ 3.75	monthly	allotment	purchasing	1 - $ 25	bond	every	five	(5)	months
" 2 -	$ 6.25	"	"	"	1 - $ 25	"	"	three	(3)	"
" 3 -	$ 18.75	"	"	"	1 - $ 25	"	"	one	(1)	"
" 4 -	$ 12.50	"	"	"	1 - $ 50	"	"	three	(3)	"
" 5 -	$ 37.50	"	"	"	1 - $ 50	"	"	one	(1)	"
" 6 -	$ 25.00	"	"	"	1 - $100	"	"	three	(3)	"
" 7 -	$ 75.00	"	"	"	1 - $100	"	"	one	(1)	"
" 8 -	$150.00	"	"	"	2 - $100	"	"	one	(1)	"
" 9 -	$225.00	"	"	"	3 - $100	"	"	one	(1)	"
" 10 -	$300.00	"	"	"	4 - $100	"	"	one	(1)	"
" 11 -	$375.00	"	"	"	1 - $500	"	"	one	(1)	"

(2) However, no new Class "B" allotments for purchase of War Savings Bonds under Plan 1 (Deduction of 3 dollars 75 cents per month) will be accepted, requiring pay deductions starting in or after the month of April 1944. Any such allotments

Attention: All United States Officers and Enlisted Men.

a. This is the midway point in the Fourth War Loan Drive which terminates 29 February 1944. It is desired that all U.S. military personnel increase their purchases of Class "E" War Bonds, which are sold in denominations of 25, 50, 100, 500 and 1,000 dollars, either on installments (Class B Allotments) or for cash. For obvious reasons no bonds purchased in this theatre may be delivered to the purchaser or other person outside the United States. However, the purchaser may at time of purchase cause the bonds to be registered in his own or some one else's name, may designate a co-owner with himself, may designate a beneficiary, may designate the address within the U.S. to which any such bond may be sent, or may direct that the bonds be retained in the U. S. Treasury for safe keeping and that the receipt therefore be mailed to him at his organization or to any person in the United States.

b. Installment Purchase.

(1) There are eleven (11) plans for purchase of War Bonds by Class "B" payroll deductions, as follows:

108 – Bonds

Plan 1 - $ 3.75	monthly	allotment	purchasing	1 - $ 25	bond	every	five (5)	months
" 2 - $ 6.25	"	"	"	1 - $ 25	"	"	three (3)	"
" 3 - $ 18.75	"	"	"	1 - $ 25	"	"	one (1)	"
" 4 - $ 12.50	"	"	"	1 - $ 50	"	"	three (3)	"
" 5 - $ 37.50	"	"	"	1 - $ 50	"	"	one (1)	"
" 6 - $ 25.00	"	"	"	1 - $100	"	"	three (3)	"
" 7 - $ 75.00	"	"	"	1 - $100	"	"	one (1)	"
" 8 - $150.00	"	"	"	2 - $100	"	"	one (1)	"
" 9 - $225.00	"	"	"	3 - $100	"	"	one (1)	"
" 10 - $300.00	"	"	"	4 - $100	"	"	one (1)	"
" 11 - $375.00	"	"	"	1 - $500	"	"	one (1)	"

(2) However, no new Class "B" allotments for purchase of War Savings Bonds under Plan 1 (Deduction of 3 dollars 75 cents per month) will be accepted, requiring pay deductions starting in or after the month of April 1944. Any such allotments already submitted effective 1 April or later will not be accepted. Allotments already in effect under Plan 1 (3 dollars 75 cents per month) will automatically be discontinued and payroll deductions will be stopped, without need of use of WDAGO Form 30-7 as payments for full bonds are completed, i.e. as of end of month in which 3 dollars 75 cents deduction completes purchase of a full $25.00 bond.

(3) Consequently, military personnel now purchasing bonds under Plan 1 (3 dollars 75 cents per month) deductions who wish to continue to buy bonds by such allotments must increase the allotment to Plan 2 (6 dollars 25 cents per month) or some higher plan to start with the first pay after the current bond is completely paid for.

(4) Military Personnel having no Class "B" allotments for War Bonds and desiring to initiate such allotments with Plan 2 or higher, should do so immediately.

(5) Military personnel having Class "B" allotments for War Bonds on a Plan 2 or higher and wish to increase such allotment should do so immediately by discontinuance of old allotment and initiating of the new one.

(6) The War Bond officer, this Headquarters, and the War Bond officer for Hq Company will assist purchasing. All purchases by way of Class "B" Allotment must be effected through the Personnel Officer.

c. Cash Purchases.

Military personnel may purchase War Bonds for cash through the nearest A.P.O. using postal money orders or through a finance officer. The War Bond officers of this headquarters and of Hq Company will assist with advice to military personnel, in the cash purchase of War Bonds.

By order of Colonel PARKIN:

L. W. STEARNS
Capt., AGD

OFFICIAL:

L W Stearns

L. W. STEARNS
Capt. AGD
. . . .Adj.

DISTRIBUTION:
"A"

2675 REGT
Det Hq & Hq Co.
3897

HEADQUARTERS
PENINSULAR BASE SECTION
APO 782

AG 150 (M..JO)

FILE
4/5/44

RECEIVED AG
28 2 MAY 1944 A.M.
REAR ECH.

SUBJECT: Continuous Sale of War Bonds.

TO : See Distribution.

Seen Lt. Daly 1430
CO Charlie Co

1. The splendid record recently established by units of the Peninsular Base Section in the sale of War Bonds will be maintained.

2. Accordingly, it is desired that unit commanders take the necessary action to initiate a program and campaign for the continuous sale of War Bonds on each and every payday. In connection with this, it is suggested that Unit War Bond Officers operate a War Bond Desk immediately next to the pay table on payday.

3. Attention is invited to unexploited sources of funds which may be utilized for additional purchases of War Bonds:

a. The balance of money received each payday over and above allotments and insurance premiums for many military personnel is in excess of that required for personal expenses.

b. Enlisted and officer personnel receiving increases in pay resulting from promotion or longevity should be encouraged to purchase War Bonds with the difference.

c. Money received as gifts or other miscellaneous sources should be devoted to this purpose.

4. Total maturity value of all bonds sold for cash during the preceding month other than by allotment will be reported to this Headquarters not later than the 5th of each month. Negative reports are desired.

By command of Major General [illegible]:

28.0

ACC-DIST
EXEC. OFFRS (EST. B.)
ADJ-MAIN
ADJ-REAR.

L. F. Nickel
L. F. NICKEL
Lt. Col., A.G.D.
Adjutant General

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"A" & "B"

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10-8-12 Bonds