

**MEMO# 2842**

June 14, 1991

## **RHODE ISLAND LEGISLATURE ADJOURNS WITHOUT MONEY MARKET FUND TAX**

June 14, 1991 TO: BOARD OF GOVERNORS NO. 42-91 MONEY MARKET MEMBERS - ONE PER COMPLEX NO. 16-91 RE: RHODE ISLAND LEGISLATURE ADJOURNS WITHOUT MONEY MARKET FUND TAX \_\_\_\_\_ The Institute is pleased to inform you that the Rhode Island Legislature adjourned on Wednesday, June 12, 1991 without passing legislation that would have imposed a tax on money market funds. As we previously informed you, House Bill 91-H6134 would have amended the definition of "banking institution" to include a money market fund, thus subjecting money market funds to the annual tax imposed on banking institutions. The Institute met with Representative John Harwood, the sponsor of the bill, to inform him of the effect such a tax would have on both money market funds and Rhode Island shareholders. After meeting with the Institute, Representative Harwood decided not to seek passage of this legislation. \*

\* \* We will keep you advised of further developments. Patricia Louie Assistant General Counsel

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