

**MEMO# 2513**

February 1, 1991

## **NEW HAMPSHIRE BANKING COMMISSIONER CALLS FOR TAX ON MONEY MARKET FUNDS**

February 1, 1991 TO: MONEY MARKET MEMBERS - ONE PER COMPLEX NO. 2-91 RE: NEW HAMPSHIRE BANKING COMMISSIONER CALLS FOR TAX ON MONEY MARKET FUNDS

As indicated in the attached article, the Banking Commissioner for the state of New Hampshire has called for a tax on money market funds in order to raise revenue and to "create a level playing field" for financial institutions. The tax would be, according to the article, "based on the overall involvement of the funds in the state". (Presumably this means the holdings of New Hampshire shareholders.) To our knowledge, no bill has been introduced as of this date to impose such a tax. There are also reports that legislation to impose a similar tax may be introduced in Rhode Island, perhaps as a means to pay off failed credit unions in that state. However, again, no such bill has been introduced as of yet. The Institute is continuing to monitor the situation in both states. We will keep you informed of developments. Craig S. Tyle Associate General Counsel Attachment

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