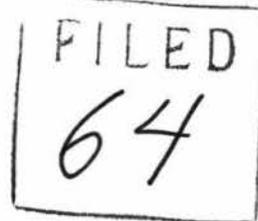


CREDIT INSTITUTIONS  
TAX ACT:  
TAX RETURNS:

Tax returns under act must be filed on calendar year basis rather than fiscal year basis, and must be computed on basis of income for preceding calendar year.

February 5, 1948

Honorable M. E. Morris  
Director of Revenue  
Department of Revenue  
State of Missouri  
Jefferson City, Missouri



Dear Mr. Morris:

We have your recent letter, in which you request an opinion of this department. Your letter is as follows:

"It is requested that you please advise this department in a written opinion whether or not Credit Institutions may file a return and pay the tax as set forth in House Bill 948 as passed by the 63rd General Assembly on a fiscal year basis, or, is a calendar year basis mandatory."

House Bill No. 948 of the 63rd General Assembly, referred to in your above quoted letter, provides that the act thereby enacted shall be designated as the "Credit institutions Tax Act of 1946," and the act is set forth in Laws of Missouri 1945, pages 1937 to 1942.

Section 4 of that act provides as follows:

"Every taxpayer shall file a return with the Director on or before the first day of June in each year, beginning with the taxable year 1947. For the taxable year 1946 the return shall be filed on or before September 1, 1946. \* \* \* "

Subdivision (c) of Section 3 of the act provides as follows:

"For the taxable year 1947 and each taxable year thereafter the tax shall be measured by the taxpayer's net income as hereinafter defined for the preceding calendar year."

Subdivision (d) of Section 2 of the act provides as follows:

"The term 'taxable year' means the calendar year in which the tax is payable."

Having these above quoted provisions of the act in mind, we direct your attention to the fact that, in view of the definition by the act of the term "taxable year," in which definition the term "taxable year" is defined as "the calendar year in which the tax is payable," it would be proper to read the portion of Section 4 of the act abovequoted as follows:

Every taxpayer shall file a return with the Director on or before the first day of June in each year, beginning with the calendar year of 1947. For the calendar year of 1946 the return shall be filed on or before September 1, 1946.

In view of this language, which, considering the above mentioned definition in the statute of the term "taxable year," expresses the meaning of this portion of the act, there can be no doubt that the tax for any given year is the tax for that calendar year rather than for the fiscal year in which the return date happens to fall, and that the return, therefore, is for the calendar year rather than for the fiscal year.

We further direct your attention to the fact that, in view of the provisions above quoted from Subdivision (c) of Section 3 of the act providing, in substance, that the tax for any given year is to be measured by the taxpayer's net income in the preceding calendar year, there can be no doubt about the proposition that the tax is also to be computed on the calendar year basis rather than on the fiscal year basis.

#### CONCLUSION

We are accordingly of the opinion that it is mandatory that the tax return contemplated by the act must be filed on

Hon. M. E. Morris

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the calendar year basis rather than on the fiscal year basis, and we are further of the opinion that the tax provided for must also be computed on the calendar year basis, the computation being based upon the net income of the institution for the preceding calendar year.

Respectfully submitted,

SAMUEL M. WATSON  
Assistant Attorney General

APPROVED:

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J. E. TAYLOR  
Attorney General

SMW:LR