tion are no longer necessary to carry out the provisions, and to accomplish the purposes, of this order."

OFFICIAL OPINION NO. 59

June 17, 1946.

Hon. A. V. Burch, Auditor,
State of Indiana,
State House,
Indianapolis, Indiana.

Dear Sir:

I am in receipt of your letter of recent date requesting my official opinion upon the following question:

"Is the pension granted by Section 1, Chapter 6 of the Acts of 1945, to the widows of former governors of this state subject to withholding for federal income tax?"

As this question concerns an interpretation of the federal laws I have made inquiry of the Treasury Department and have received a letter from the Commissioner of Internal Revenue bearing reference of IT:P:T:2 RP-4, which is as follows:

"Reference is made to your letter of February 14, 1946, with respect to the status, for Federal income tax purposes, of annual stipends payable to widows of former governors of the State of Indiana under the provisions of section 1, Chapter 6, Acts 1945, a copy of which was submitted.

"The Act provides:

'That there is hereby granted by the State of Indiana to the widow of the governor and the widow of each former governor of the State of Indiana a pension in the sum of three thousand dollars annually during the natural life of said widow and so long as she shall remain unmarried, and there is hereby annually appropriated
out of the general fund in the treasury of the state, not otherwise appropriated, a sufficient sum of money with which to pay the sum of three thousand dollars annually to each of said widows during their natural lives, and said pensions shall be paid in equal monthly installments by the treasurer of the state on warrant of the auditor of the State of Indiana to said widow or widows upon claim being made therefor to the auditor of state, by a qualifying widow or one acting for her, and unless claim is made for said pensions, any amount so appropriated to pay the same, shall revert to the general fund at the end of each fiscal year.'

"Stipends granted to the widows of former governors, and the widow of the governor in office or governor-elect, of the State of Indiana at the time of the passage of section 1, Chapter 6, Acts 1945, State of Indiana, come within the category of gifts and are exempt from the income tax under the provisions of section 22(b)(3) of the Internal Revenue Code."

I am, therefore, of the opinion that the pensions granted by Section 1, Chapter 6, of the Acts of 1945 (Sec. 49-1510, Burns' 1945 Supp.), to the widows of the former governors of this state are not subject to federal income tax and that, therefore, the withholding provisions of the Federal Income Tax Laws are not applicable to these payments.

OFFICIAL OPINION NO. 60

June 20, 1946.

Hon. Clarence E. Ruston, State Examiner,
State Board of Accounts,
Room 304, State House,
Indianapolis 4, Indiana.

Dear Sir:

Your letter of May 23, 1946, received requesting an official opinion on the following questions: