

Does Senate Bill No. 20 mandate the local school corporations to make their adoptions by May 1, 1943 or by any other specific time?

After a careful study of the language contained in section 1 of the above mentioned act, it is my opinion that the proper answer to your question is in the negative; and that there is no language contained in section 1 of said act which mandates the local school corporations to make their adoptions by May 1, 1943, or by any other specific time.

INDIANA STATE TAX BOARD: Application of Intangibles Tax Act to described situation.

March 20, 1943.

Hon. Charles H. Bedwell, Chairman,
Indiana State Tax Board,
State House,
Indianapolis, Indiana.

Dear Sir:

I am in receipt of your letter of March 19, 1943, requesting an official opinion concerning the taxability under the Indiana Intangible Tax Law of notes secured by mortgages that are issued under the following circumstances:

“‘A’, a corporation, is the Mortgage Loan Correspondent, of a number of life insurance companies and is, also, a ‘Sponsored Approved Mortgagee’ with the Federal Housing Administration, which means that it may originate FHA mortgages only for the accounts of companies for which it acts as Mortgage Loan Correspondent.

“When ‘A’ makes a loan, the note and mortgage is taken payable to it and the mortgage is recorded in the county records. Immediately, as the mortgage is recorded in the county records, ‘A’ assigns the mortgage to a local bank which advances an amount equal to the principal amount of the mortgage to a Title Company, in escrow, and the Title Company disburses such amount for the bank, when the title is approved.

“When the title is approved, all the mortgage papers, together with the assignment of the mortgage, at the discretion of ‘A’, is sent to a particular life insurance company which pays to the bank the proceeds of the mortgage. ‘A’ as Mortgage Loan Correspondent, obtains a commission out of the transaction.”

It is my opinion that under the express provisions of subdivision (a) of Section 1, Chapter 294, Acts of 1935, page 1452, being Burns’ R. S. Pocket Supplement 64-901, that the note and mortgage securing the same and made payable to “A” and recorded in the Recorder’s office prior to any assignment thereof are subject to the payment of Intangible Stamp Taxes as provided in the statute.

It is further my opinion that under the provisions of subdivision (b) of the same statute, the note and mortgage are exempt from the provisions of the Intangible Tax Law after the same have been assigned to a bank or life insurance company. Under this interpretation, the Intangible Stamp Taxes for the current year in which the note and mortgage are executed must be paid, and after the note and mortgage have been duly assigned to a bank or life insurance company, thereafter the same would be tax exempt during the life of the note and mortgage.

This opinion is based upon the assumption that the mortgage is duly recorded in the Recorder’s office of the county where the real estate is situated prior to its assignment to any bank or life insurance company.

BOARD OF ACCOUNTS: Whether Chapter 169 of the Acts of 1943 applies to recorders in office when the Act takes effect.

March 20, 1943.

Hon. Otto K. Jensen,
State Examiner,
State House,
Indianapolis, Indiana.

Dear Sir:

I am in receipt of your letter of March 15 requesting an official opinion as to whether or not the provisions of House