CONSERVATION DEPARTMENT: Whether State of Indiana may impose tax upon federal government.

July 19, 1933.

Hon. Virgil M. Simmons,
Department of Public Works,
Indianapolis, Indiana.
Attention Mr. H. A. Woods,
Assistant State Forester.

Honorable Sir:

I have before me your request for an official opinion presenting the following question:

"The United States Department of Agriculture, Division of Forestry, have a number of trucks operating in Indiana, through the emergency conservation work camps. The question at issue is: Shall the United States Government be charged with state tax on gasoline purchased by the federal government and paid for by federal funds, through the proper state officials in charge of these emergency conservation work camp operations."

State and federal governments stand on an equality with reference to the right of immunity of their respective instrumentalities from taxation by the other governmental body. The purpose of the principle of reciprocal immunity, is the preservation to each government, within its own sphere, of the freedom to carry on those affairs committed to it without undue interference by the other.

From this, it follows that the State of Indiana may not impose a tax upon the government of the United States of America; therefore, the motor vehicle fuel tax is not to be collected from the federal government.