

Opinion No. 63-41

April 23, 1963

BY: OPINION of EARL E. HARTLEY, Attorney General

TO: Mr. C. N. Morris Assistant District Attorney County Court House Carlsbad, New Mexico. Mr. Jesse Kornegay Chief Tax Commissioner State Tax Commission Santa Fe, New Mexico

QUESTION

All County Assessors:

QUESTION

Is a Federally chartered credit union responsible for ad valorem taxes on its real and personal property located in each county?

CONCLUSION

Yes.

OPINION

{*83} ANALYSIS

The answer to this inquiry is governed by an Act of Congress and an Act of the New Mexico Legislature. The Federal and State statutes are entirely harmonious and each will be set out in toto so that all county assessors will be fully apprised.

12 U.S.C.A., Section 1768 provides as follows:

"The Federal credit unions organized hereunder, their {*84} property, their franchises, capital reserves, surpluses, and other funds, and their income shall be exempt from all taxation now or hereafter imposed by the United States or by any State, Territorial, or local taxing authority; **except that any real and any tangible personal property of such Federal credit unions shall be subject to Federal State, Territorial, and local taxation to the same extent as other similar property is taxed.** Nothing herein contained shall prevent holdings in any Federal credit union organized hereunder from being included in the valuation of the personal property of the owners or holders thereof in assessing taxes imposed by the authority of the State or political subdivision thereof in which the Federal Credit Union is located; but the duty or burden of collecting or enforcing the payment of such a tax shall not be imposed upon any such Federal Credit union and the tax shall not exceed the rate of taxes imposed upon holdings in domestic credit unions." (Emphasis added).

The pertinent State statute here involved is Section 48-19-22, N.M.S.A., 1953
Compilation which provides as follows:

"A credit union shall be deemed an institution for savings and, together with all accumulations therein, shall not be subject to taxation **except as to property owned**. The shares of a credit union shall not be subject to a stock transfer tax when issued by the corporation or when transferred from one member to another." (Emphasis added).

We see then that under both Federal law and State law the real and personal property of **all** credit unions is subject to the ad valorem tax.

By: Oliver E. Payne

Assistant Attorney General