

## INCOME TAX FEDERAL OBLIGATIONS TAXABILITY

### The following U.S. Obligations are exempt from Michigan Individual Income Tax:

U.S. Government Bonds  
U.S. Government Certificates

U.S. Savings Bonds – Series E, F, G and H  
U.S. Treasury Bills and Notes

### Obligations issued by the following U.S. Agencies are exempt:

Banks for Cooperatives  
Central Banks for Cooperatives  
Commodity Credit Corp.  
Consolidated Bonds  
Consolidated Discount Notes  
Consolidated System Bond, Series L  
Consolidated Systemwide  
Discount Notes  
District of Columbia  
Farm Credit Banks  
Farmers Home Corp.  
Federal Deposit Insurance Corp.  
Federal Farm Credit Bank  
Federal Farm Loan Corp.  
Federal Farm Mortgage Corp.  
Federal Financing Banks  
Federal Home Loan Banks  
Federal Housing Administration  
(General Insurance Fund Debentures)

Federal Intermediate Credit Banks  
Federal Intermediate Credit Corp.  
Federal Land Banks  
Federal Land Banks Association  
Federal Savings and Loan Insurance  
Corporation  
Home Owner's Loan Corp.  
Joint Stock Land Banks  
Maritime Administration  
Production Credit Association  
Small Business Administration  
Student Loan Marketing Association  
Tennessee Valley Authority (bonds only)  
U.S. Housing Authority  
U.S. Maritime Commission  
U.S. Possessions (obligations Puerto Rico,  
Virgin Islands, etc.)  
U.S. Postal Service (bonds)

### The following debentures issued under the General Insurance Fund are exempt:

Interest from debentures issued under War Housing Insurance Law  
Interest from debentures to acquire rental housing projects  
Interest from Armed Service Housing Mortgage Debentures

### The following General Services Administration Public Building Trust Participation Certificates are exempt:

1st series A through E  
2nd series F  
3rd series G  
4th series H and I

### The Guam Obligations issued by Government of Guam are exempt.

**Notes:** Income from **exempt** U.S. Obligations received by the taxpayer through Money Market Funds, Money Market Certificates, Mutual Funds, Trusts, etc., generally qualifies for a subtraction.

Treasury Bill Futures are **not** U.S. obligations.

**The following U.S. Obligations are taxable:**

Government National Mortgage Association (debentures, notes and participation certificates)  
Federal National Mortgage Association participation and other instruments  
Federal Home Loan Mortgage Corporation, mortgages and other securities  
Federal Housing Administration (debentures, notes and participation certificates)  
U.S. Department of Agriculture Farmers Home Administration Insured Notes  
Export-Import Bank of Washington, D.C.  
International Bank of Reconstruction and Development (World Bank)  
Participation Certificates issued by the Federal National Mortgage Association  
Building and Loan Associations  
Credit Union Share Accounts  
District of Columbia Armory Board  
Federal Savings and Loan Associations  
Panama Canal Bonds  
Philippine Bonds  
U.S. Government Insured Merchant Marine Bonds

**Other examples of taxable interest from federal obligations:**

Refunds of federal income tax  
Interest-bearing certificates issued in lieu of tax-exempt securities, such income losing its identity when merged with other funds  
Debentures issued to mortgages or mortgages foreclosed under the provisions of the National Housing Act  
Promissory notes of the federal instrumentality  
Federal Home Loan Time deposits  
FSLIC secondary reserve prepayments  
Government National Mortgage Association participation certificates and on Federal Home Loan Mortgage Corporation participation certificates in mortgage pools  
U.S. Postal Service Certificates and savings deposits  
Participating loans in the Federal Reserve System for member banks (Federal Funds)  
Farmer's Home Administration

**End**