

I have already discussed this matter orally with you and, in confirmation of the opinion given you at that time, you are advised that under Section 1236, R. L. 1915, the amount of this interest and sinking fund on the Loan Fund item above named can, and should be placed by you in the tax levy for the year 1916.

By Section 7 of the Loan Fund Act (see page 1506, R. L. 1915) the Auditor had no alternative but to make these deductions when settling with the City and County, and the amount of these deductions should, in my opinion, be included in the Treasurer's estimate of the coming year as provided for by Section 1236, R. L. 1915.

Very truly yours,

ARTHUR G. SMITH,

Deputy Attorney General.

Approved:

INGRAM M. STAINBACK,

Attorney General.

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January 29th 1916.

OPINION NO. 487.

TAXATION:

Where the Legislature has appropriated for the city and county a certain sum from loan funds, which appropriation was made after the tax rate for the appropriation year had been determined, the amount of interest and sinking fund retained by the auditor on account of said sum during the appropriation year should be included in the tax levy for the ensuing year.

Honorable C. J. McCarthy,  
Treasurer, Territory of Hawaii,  
Honolulu, T. H.

Dear Sir: Your letter of the 25th instant has been referred to me. As the letter is short, I shall quote the same in full:

"Hon. I. M. Stainback,  
Attorney General of Hawaii,  
Honolulu, T.H.

"Dear Sir: In April, 1915, after the tax rate for that year had been determined the Legislature appropriated for the City and County of Honolulu, from loan funds, the sum of \$105,494.00.

"The auditor, when settling with the city and county at the end of the year, deducted the amount of Interest and sinking fund. The amount of this interest and sinking fund could not be placed in the tax levy for 1915, and the question now is 'Can said amount be placed in the tax levy for the year 1916.'

"Very truly yours,

"C. J. McCarthy,