

§ 142-12. State bonds exempt from taxation.

Bonds and other evidences of indebtedness issued by the State are exempt from State taxation to the extent provided in the act authorizing their issuance. If the act authorizing the issuance of the instruments does not address exemption from taxation, then they are exempt from taxation by the State or any of its subdivisions, except for inheritance or gift taxes, income taxes on the gain from the transfer of the instruments, and franchise taxes. Unless the act authorizing the issuance of the instruments provides otherwise, the interest on the instruments is not subject to taxation as income. (1852, c. 10, s. 4; R.C., c. 90, s. 5; Code, s. 3565; Rev., s. 5022; C.S., s. 7410; 1995, c. 46, s. 14.)