

effect that there are unencumbered balances legally appropriated in a sum sufficient to cover the obligations of the contract. You have also submitted a certificate of the Controlling Board showing that such board has released funds for this project in accordance with section 1 of House Bill No. 69 of the second special session of the 90th General Assembly.

In addition, you have submitted a contract bond upon which the Standard Accident Insurance Company of Detroit, Michigan, appears as surety, sufficient to cover the amount of the contract.

You have further submitted evidence indicating that plans were properly prepared and approved, notice to bidders was properly given, bids tabulated as required by law and the contract duly awarded. Also it appears that the laws relating to the status of surety companies and the workmen's compensation have been complied with.

Finding said contract and bond in proper legal form, I have this day noted my approval thereon, and return the same herewith to you, together with all other data submitted in this connection.

Respectfully,

JOHN W. BRICKER,
Attorney General.

4968.

APPROVAL, CONTRACT FOR GENERAL WORK FOR A PROJECT KNOWN AS COTTAGE, TOLEDO STATE HOSPITAL, TOLEDO, OHIO, \$86,560.00, HARTFORD ACCIDENT AND INDEMNITY COMPANY OF HARTFORD, CONN., SURETY—H. R. BLAGG COMPANY, DAYTON, OHIO.

COLUMBUS, OHIO, December 6, 1935.

HON. T. S. BRINDLE, *Superintendent of Public Works, Columbus, Ohio.*

DEAR SIR:—You have submitted for my approval a contract between the State of Ohio, acting by the Department of Public Works for the Department of Public Welfare, and The H. R. Blagg Company of Dayton, Ohio. This contract covers the construction and completion of Contract for General Work for a project known as Cottage, Toledo State Hospital, Toledo, Ohio, in accordance with Item No. 1 of the form of proposal dated November 5, 1935. Said contract calls for an expenditure of eighty-six thousand five hundred and sixty dollars (\$86,560.00).

You have submitted the certificate of the Director of Finance to the effect that there are unencumbered balances legally appropriated in a sum

sufficient to cover the obligations of the contract. You have also submitted a certificate of the Controlling Board showing that such board has released funds for this project in accordance with section 1 of House Bill No. 69 of the second special session of the 90th General Assembly.

In addition, you have submitted a contract bond upon which the Hartford Accident and Indemnity Company of Hartford, Connecticut, appears as surety, sufficient to cover the amount of the contract.

You have further submitted evidence indicating that plans were properly prepared and approved, notice to bidders was properly given, bids tabulated as required by law and the contract duly awarded. Also it appears that the laws relating to the status of surety companies and the workmen's compensation have been complied with.

Finding said contract and bond in proper legal form, I have this day noted my approval thereon, and return the same herewith to you, together with all other data submitted in this connection.

Respectfully,

JOHN W. BRICKER,
Attorney General.

4969.

TAX AND TAXATION—"PREPAID ITEMS" DEFINING TERM
"CREDITS" AS USED IN SECTION 5327, G. C., DISCUSSED.

SYLLABUS:

The term "prepaid items" as the same is used in section 5327, General Code, defining the term "credits" for purposes of taxation, includes all items of prepayment made by the taxpayer in the conduct of his business by which rights accrue to the taxpayer over the period of time covered by such prepayment, which, by recognized and proper accounting practice, may be set up as prepaid items as an asset of the taxpayer, and which on tax listing day have an actual value in money amortized as of said date.

COLUMBUS, OHIO, December 6, 1935.

Tax Commission of Ohio, Columbus, Ohio.

GENTLEMEN:—This is to acknowledge the receipt of your communication in which you request my opinion as to the meaning of the term "prepaid items" as the same is used in section 5327, General Code, which defines the term "credits" for purposes of taxation under the Intangible and Personal Property Tax Law. With your communication you list a number of items,