§ 1862. Exemption from taxation of bonds and notes. The state covenants with the purchasers and with all subsequent holders and transferees of bonds and notes, in consideration of the acceptance of and payment for the bonds and notes, that the bonds and notes and the income therefrom, and all moneys, funds and revenues pledged to pay or secure the payment of such bonds and notes shall at all times be free from taxation, except for estate and gift taxes and taxes on transfers.