

No. 305

AN ACT

To amend *subsections (b) and (c) of section one thousand two hundred three of the act, approved the ninth day of April, one thousand nine hundred twenty-nine (Pamphlet Laws 343), entitled "An act relating to the finances of the State government; providing for the settlement, assessment, collection, and lien of taxes, bonus, and all other accounts due the Commonwealth, the collection and recovery of fees and other money or property due or belonging to the Commonwealth, or any agency thereof, including escheated property and the proceeds of its sale, the custody and disbursement or other disposition of funds and securities belonging to or in the possession of the Commonwealth, and the settlement of claims against the Commonwealth, the resettlement of accounts and appeals to the courts, refunds of moneys erroneously paid to the Commonwealth, auditing the accounts of the Commonwealth and all agencies thereof, of all public officers collecting moneys payable to the Commonwealth, or any agency thereof, and all receipts of **appropriations from the Commonwealth and imposing penalties; affecting every department, board, commission, and officer of the State government, every political subdivision of the State, and certain officers of such subdivisions, every person, association, and corporation required to pay, assess, or collect taxes, or to make returns or reports under the laws imposing taxes for State purposes, or to pay license fees or other moneys to the Commonwealth, or any agency thereof, every State depository and every debtor or creditor of the Commonwealth," and to add thereto new subsections (d) and (e) so as to except therefrom the transfer of stock not subject to the transfer inheritance tax owned by deceased residents of an area listed by the Department of Revenue as entitled by law to such exemption and stock formerly owned by the entireties by resident spouses, one of whom shall have died, and to require the Department of Revenue to list such areas.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Subsections (b) and (c) of section one thousand two hundred three of the act, approved the ninth day of April, one thousand nine hundred twenty-nine (Pamphlet Laws 343), entitled "An act relating to the finances of the State government; providing for the settlement, assessment, collection, and lien of taxes, bonus, and all other accounts due the Commonwealth, the collection and recovery of fees and other money or property due or belonging to the Commonwealth, or any agency thereof, including escheated property and the proceeds of its sale, the custody and disbursement or other disposition of funds and securities belonging to or in ***the possession of the Commonwealth, and the settlement of claims against the Commonwealth, the

"The Fiscal Code."

Subsections (b) and (c) of section 1203, act of April 9, 1929, P. L. 343, subsection (c) of which was amended by act of June 4, 1943, P. L. 877, amended or further amended.

* "subsection" in original.

** "appropriations" in original.

*** "the" omitted in original.

resettlement of accounts and appeals to the courts, refunds of moneys erroneously paid to the Commonwealth, auditing the accounts of the Commonwealth and all agencies thereof, of all public officers collecting moneys payable to the Commonwealth, or any agency thereof, and all receipts of appropriations from the Commonwealth and imposing penalties; affecting every department, board, commission, and officer of the State government, every political subdivision of the State, and certain officers of such subdivisions, every person, association, and corporation required to pay, assess, or collect taxes, or to make returns or reports under the laws imposing taxes for State purposes, or to pay license fees or other moneys to the Commonwealth, or any agency thereof, every State depository and every debtor or creditor of the Commonwealth," are hereby amended to read as follows:

Section 1203. Procedure Applicable in Cases of Transfer of Corporate Stock Belonging to Decedents' Estates.—

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(b) No executor, administrator, or trustee, of any decedent, resident or nonresident, shall assign or transfer any stock of any corporation of this Commonwealth, or of any national banking association located in this Commonwealth, standing in the name of such decedent, or in the joint names of such decedent and one or more other persons, or in trust for a decedent, subject to the transfer inheritance tax imposed by law, until such tax has been paid, unless the Department of Revenue consents to such transfer prior to such payment as herein provided, *or unless the decedent was a resident of a state, country or territory listed by the Department of Revenue as one whose residents are entitled to the exemption granted by the act of May 2, 1929 (Pamphlet Laws 1258), entitled "An act concerning taxes on the transfer of personal property of nonresidents; and to make uniform the laws of the State with reference thereto";*

(c) No corporation of this Commonwealth, or national banking association located in this Commonwealth, shall transfer any stock of such corporation, or of such banking association, standing in the name of a decedent, whether resident or nonresident, or in the joint names of a decedent and one or more persons, or in trust for such decedent, *subject to the transfer inheritance tax imposed by law*, unless the Department of Revenue has filed with such corporation or national banking association a certificate that the transfer inheritance tax imposed by law on the transfer of such stock has been fully paid, or otherwise consents thereto in writing, *or unless the decedent was a resident of a*

state, country or territory listed by the Department of Revenue as one whose residents are entitled to the exemption granted by the act of May 2, 1929 (Pamphlet Laws 1258), entitled "An act concerning taxes on the transfer of personal property of nonresidents; and to make uniform the laws of the State with reference thereto", and it shall be lawful for the Department of Revenue, either personally or by representative, to examine the shares of stock of such decedent, at the time of such transfer, and also the transfer books of said corporation or association showing such transfer. The provisions of this section shall not apply to the transfer of stock assigned by a decedent before his death as collateral security for a loan, provided that any lender so holding such stock shall, upon selling it, send a written report to the Department of Revenue, stating the amount for which the stock was sold and the amount which was applied in reduction or payment of the loan. Any corporation or national banking association may transfer such stock upon presentation to it of an affidavit of such lender, or someone acting on his or its behalf, that the stock was held as security at the time of decedent's death.

Section 2. Section one thousand two hundred three of said act is hereby amended by adding thereto the following subsections (d) and (e):

(d) *Any corporation or national banking association may transfer such stock upon presentation to it of an affidavit of the executor, administrator or heir of a decedent, or someone acting on his behalf, that the decedent died a resident of a particular state, country or territory which is listed by the Department of Revenue, as aforesaid, or that the person in whose name, jointly with that of the decedent, the stock stands, was the spouse of the decedent at the time of his death *and that it was not transferred by the decedent to such person and the decedent within one year of the death of the decedent;*

(e) *The Department of Revenue is authorized and directed to prepare, revise from time to time, and furnish on request, a list of the states, countries and territories whose residents are entitled to the exemption granted by the act of May 2, 1929 (Pamphlet Laws 1258), entitled "An act concerning taxes on the transfer of personal property of nonresidents; and to make uniform the laws of the state with reference thereto."*

Section 3. This act shall be effective immediately upon its final enactment.

Section 1203, said act, amended by adding thereto two new subsections (d) and (e).

Act effective immediately.

APPROVED—The 17th day of August, A. D. 1951.

JOHN S. FINE

* "in" in original.