

shall be held liable under this section for any tax upon the proportion of said receipts received by said corporation, company, copartnership, association, joint-stock association, limited partnership, person or persons for the use of said works.

This act shall be construed to apply to municipalities, and to impose a tax upon the gross receipts derived from any municipality owned or operated public utility or from any public utility service furnished by any municipality, except that gross receipts from other than sales of gas shall be exempt from the tax, to the extent that such gross receipts are derived from business done inside the limits of the municipality, owning or operating the public utility or furnishing the public utility service.

Act construed to apply to municipalities in certain cases.

Section 2. This act shall become effective March 1, 1961, and shall apply to gross receipts received on or after January 1, 1961, and thereafter. The first tentative reports hereunder shall be due April 30, 1961.

Effective date.

APPROVED—The 21st day of February, A. D. 1961.

DAVID L. LAWRENCE

No. 17

AN ACT

Amending the act of July 15, 1897 (P. L. 292), entitled "An act to provide revenue by taxation," increasing the rate of tax on shares of capital stock of banks and savings institutions and extending such tax to the surplus, undivided profits and reserves of savings banks without capital stock, building and loan associations and federal and state savings and loan associations, changing the date for the determination of the base of the tax, and making certain repeals.

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

Taxation.

Section 1. Section 1, act of July 15, 1897 (P. L. 292), entitled "An act to provide revenue by taxation," amended October 26, 1959 (P. L. 1374), is amended to read:

Section 1, act of July 15, 1897, P. L. 292, amended October 26, 1959, P. L. 1374, further amended.

Section 1. Be it enacted, &c., That from and after the passage of this act [every],

Tax on shares of capital stock of banks or savings institutions.

1. *Every* bank or savings institution having capital stock, incorporated by or under any law of this Commonwealth or under any law of the United States, and located within this Commonwealth, shall, on or before the fifteenth day of April in each and every year *up to and including the year one thousand nine hundred sixty-one*, make to the Department of Revenue a report in writing, verified as required by law, setting forth the full number of shares of the capital stock subscribed for or issued,

Time of making report to Department of Revenue.

as of the preceding thirty-first day of December, by such bank or savings institution *having capital stock*, and the actual value thereof as of the preceding thirty-first day of December, which actual value shall be ascertained as hereinafter provided. *For the calendar year beginning the first day of January, one thousand nine hundred sixty-one, and each year thereafter, such bank or savings institution having capital stock shall, on or before the fifteenth day of April of the year one thousand nine hundred sixty-one, and of every year thereafter, make to the Department of Revenue a report, in writing, verified as required by law, setting forth the full number of shares of the capital stock subscribed for or issued, as of the preceding first day of January, by such bank or savings institution having capital stock, and the actual value thereof as of the preceding first day of January, which actual value shall be ascertained as hereinafter provided.* It shall be the duty of the Department of Revenue to assess such shares for taxation [at the same rate as that imposed upon other moneyed capital in the hands of individual citizens of the State, that is to say,] for the calendar years ending December thirty-first, one thousand nine hundred thirty-six, December thirty-first, one thousand nine hundred thirty-seven, December thirty-first, one thousand nine hundred thirty-eight, December thirty-first, one thousand nine hundred thirty-nine, December thirty-first, one thousand nine hundred forty, December thirty-first, one thousand nine hundred forty-one, and December thirty-first, one thousand nine hundred forty-two, at the rate of eight mills upon each dollar of the actual value thereof, and thereafter for each year to and including the calendar year ending December thirty-first, one thousand nine hundred fifty-eight, at the rate of four mills upon each dollar of the actual value thereof; and for the calendar years ending December thirty-first, one thousand nine hundred fifty-nine and December thirty-first, one thousand nine hundred sixty, and for the calendar year beginning the first day of January, one thousand nine hundred sixty-one, and each year thereafter, at the rate of eight mills upon each dollar of the actual value thereof, [and for the calendar year ending December thirty-first, one thousand nine hundred sixty-one and thereafter, at the rate of four mills upon each dollar of the actual value thereof,] the actual value of each share of stock to be ascertained and fixed by adding together the amount of capital stock paid in, the surplus, and undivided profits, and dividing this amount by the number of shares. It shall be the duty of every bank or savings institution *having capital stock*, at the time of making every report required by this section, to compute the tax and to pay the amount of said tax to the State Treasurer, through the Depart-

Contents of report.

Duty of Department of Revenue.

Rate of tax.

Ascertainment of value of shares.

Duty to compute and pay tax.

ment of Revenue either from its general fund, or from the amount of said tax collected from its shareholders: *Provided, That for the calendar year beginning the first day of January, 1961, and each year thereafter, such bank or savings institution having capital stock, upon the date its report, herein required, is made for such calendar year beginning the first day of January, one thousand nine hundred sixty-one, and each year thereafter, shall pay to the Department of Revenue not less than eighty per centum (80%) of the tax due to the Commonwealth by it for such calendar year, and the remaining tax due shall be paid at the time when the report herein required for the year next succeeding is made:* *Provided, That in case any bank or savings institution having capital stock, incorporated under the law of this State or of the United States, shall collect, annually, from the shareholders thereof said tax of eight mills or four mills, as the case may be, on the dollar upon the actual value of all the shares of stock of said bank or savings institution, according to the provisions of this act, that have been subscribed for or issued, and pay the same into the State Treasury, through the Department of Revenue, the shares, and so much of the capital and profits of such bank or savings institution having capital stock as shall not be invested in real estate, shall be exempt from local taxation under the laws of this Commonwealth; and such bank or savings institution having capital stock shall not be required to make any report to the local assessor or county commissioners of its personal property owned by it in its own right for purposes of taxation and shall not be required to pay any tax thereon.*

Proviso.

Further proviso.

2. *Every savings bank without capital stock incorporated by or under any law of this Commonwealth, and every building and loan association, and federal and state savings and loan association located within this Commonwealth, shall, on or before the fifteenth day of April in each and every year, make to the Department of Revenue a report, in writing, setting forth the full amount of its surplus, undivided profits and reserves as of the preceding first day of January. It shall be the duty of the Department of Revenue to assess such surplus, undivided profits and reserves for taxation for the calendar year beginning the first day of January, one thousand nine hundred sixty-one, and each year thereafter, at the rate of eight mills upon each dollar of the actual value thereof, the actual value to be ascertained and fixed by adding together the amount of the surplus, undivided profits and reserves. It shall be the duty of every savings bank without capital stock, and of every building and loan association, and federal*

and state savings and loan association, at the time of making every report required by this section, to compute the tax and pay to the Department of Revenue not less than eighty per centum (80%) of the tax due to the Commonwealth by it for such calendar year, and the remaining tax due shall be paid at the time when the report herein required for the year next succeeding is made. So much of the surplus, undivided profits and reserves of such savings bank without capital stock, building and loan association and federal and state savings and loan associations, as shall not be invested in real estate, shall be exempt from local taxation under the laws of this Commonwealth, and such savings bank without capital stock, building and loan association and federal and state savings and loan association shall not be required to make any report to the local assessor or county commissioner of its personal property owned by it in its own right for the purposes of taxation, and shall not be required to pay any tax thereon.

Procedure for failure to comply.

3. The procedure, in case the Department of Revenue be not satisfied with the report made by any bank, [or] savings institution *having capital stock, building and loan associations, federal or state savings and loan associations or savings bank without capital stock*, and the penalties for failing to make such report and pay the tax, shall be as provided by law.

Restricted repeal.

Section 2. Section 27, act of June 1, 1889 (P. L. 420), entitled "A further supplement to an act entitled 'An act to provide revenue by taxation' approved the seventh day of June Anno Domini one thousand eight hundred and seventy nine," as amended, is repealed insofar as it imposes a tax upon savings banks without capital stock.

Effective date.

Section 3. This act shall become effective the first day of March, one thousand nine hundred sixty-one, and shall impose the tax for the calendar year beginning the first day of January, one thousand nine hundred sixty-one, and each year thereafter, and shall not be construed to relieve any bank or savings institution having capital stock from the reporting and payment of tax imposed by the act to which this is an amendment for the calendar year ending the thirty-first day of December, one thousand nine hundred sixty and years prior thereto.

APPROVED—The 21st day of February, A. D. 1961.

DAVID L. LAWRENCE