

edness in any school district issuing such obligations shall not, at any time, including all such obligations, exceed two per centum of the total valuation of taxable property therein: Provided further, That any school district incurring any temporary debt and issuing such obligations, in the manner herein provided, shall provide from its current revenue for the payment of the same, except such temporary debt as may be outstanding on the thirty-first day of December, one thousand nine hundred and [twenty-one] *twenty-five*, and which, by the provisions of section five hundred and six, may be refunded by an issue of bonds.

Proviso.

APPROVED—The 2nd day of May, A. D. 1925.

GIFFORD PINCHOT.

No. 270.

### AN ACT

To amend section one of the act, approved the fifteenth day of July, one thousand eight hundred and ninety-seven (Pamphlet Laws, two hundred and ninety-two), entitled "An act to provide revenue by taxation," eliminating from said act the provisions for the taxation of bank stock on the par value thereof.

Section 1. Be it enacted, &c., That section one of the act, approved the fifteenth day of July, one thousand eight hundred and ninety-seven (Pamphlet Laws, two hundred and ninety-two), entitled "An act to provide revenue by taxation," is hereby amended to read as follows:

Section 1. Be it enacted, &c., That from and after the passage of this act 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 twentieth day of June in each and every year, make to the Auditor General a report in writing, verified by the oath or affirmation of the president, cashier or treasurer, setting forth the full number of shares of the capital stock subscribed for or issued by such bank or savings institution, and the actual value thereof, which shall be ascertained as hereinbefore provided; whereupon it shall be the duty of the Auditor General 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, 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

Taxation.

Section 1 of act of July 15, 1897 (P. L. 292), amended.

Banks and savings institutions shall report annually to Auditor General.

When report to be made.

Contents.

Assessment of shares for taxation.

Rate.

How value shall be ascertained.

Officers of bank may be summoned. amount of capital stock paid in, the surplus and undivided profits, and dividing this amount by the number of shares. The Auditor General shall have the power, and it shall be his duty in case he shall not be satisfied with the correctness of the report as made by the officers of any bank or savings institution, to summon the officers of said bank or savings institution to appear before him, upon notice to do so, on a day to be fixed by him, and to bring with them the books of said bank or savings institution for his examination; and he shall have the right to have further evidence to satisfy himself as to the correctness of the report made to him on the question of the value of the shares of stock of such bank or savings institution, according to the rule hereinbefore stated. After the Auditor General shall have fixed the value of the shares of stock in any bank or savings institution by the method hereinbefore provided, and settled an account according to law, he shall thereupon transmit to the president, cashier or treasurer of such bank or savings institution, a copy of such settlement showing the valuation and assessment so made by him, and the amount of tax due the Commonwealth on all such shares. And it shall be the duty of the president, cashier or treasurer of any such bank or savings institution, immediately upon the receipt of said settlement, to post the same in a conspicuous place in such bank or savings institution so as to give notice to the shareholders of such valuation; and it shall be the duty of the Auditor General to hear any shareholder upon the subject of the valuation of such shares of stock at the Auditor General's office within a period of thirty days from the date of said settlement. It shall be the duty of every bank or savings institution, within a period of forty days after the date of such settlement by the Auditor General, at its option, to pay the amount of said tax to the State Treasurer from its general fund, or collect the same from its shareholders and pay over to the State Treasurer: Provided, That if any such bank or savings institution shall fail or refuse to make such report, or to pay such tax at the time herein specified, or shall make any false statement in such report or shall fail or refuse by its officers to appear before the Auditor General upon notice as aforesaid, or shall fail or refuse to produce its books for examination when required to do so by the Auditor General, he shall, after having ascertained the actual value of each share of the capital stock of such bank or savings institution from the best information he can obtain, add thereto fifty per centum as a penalty, assess the tax as aforesaid, and proceed according to law to collect the same from such bank or savings institution: Provided further, That if the president, cashier or

Books to be produced. May require further evidence.

Copy of settlement to be transmitted to officers.

Settlement to be posted in bank.

Shareholder entitled to be heard.

Tax to be paid within forty days.

Failure to comply with foregoing requirements.

Auditor General may assess value and add penalty.

Officer failing to post statement to be in default.

treasurer of any such bank or savings institution shall neglect or refuse to post the copy of the settlement in a conspicuous place in such bank or savings institution immediately upon the receipt of the same, so as to give notice to the shareholders, such president, cashier or treasurer shall be adjudged to be in default, and as a penalty for such default such bank or savings institution shall be responsible to the Commonwealth for the amount of the tax assessed against the shareholders of such bank or savings institution: And provided further, 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 four mills on the dollar upon the actual value of all the shares of stock of said bank or savings institution, according to the rule hereinbefore stated, that have been subscribed for or issued, and pay the same into the State Treasury on or before the first day of March in each year; the shares and so much of the capital and profits of such bank or savings institution 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 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. [Except, however, that any bank or savings institution incorporated as aforesaid, in lieu of the method hereinbefore set out for ascertaining the actual value of the shares of capital stock thereof, may elect to collect annually from the stockholders thereof a tax of ten mills on the dollar upon the par value of all shares of said bank that have been subscribed for or issued, and pay the same into the State Treasury on or before the first day of March in each year; and the shares of such bank or savings institution, and so much of the capital and profits of such bank or savings institution, as shall not be invested in real estate shall be exempted from local taxation under the laws of this Commonwealth.]

Section 2. This act shall take effect on the first day of January, one thousand nine hundred and twenty-six.

Penalty for default.

Banks paying tax before March 1st to be exempt from local taxation on shares and profits not invested in real estate.

Such bank not required to make report to local officers of personal property.

Effective date.

APPROVED—The 2nd day of May, A. D. 1925.

GIFFORD PINCHOT.