

[(c)] (d) Any person who falsely or fraudulently makes, forges, alters or counterfeits any stamp prescribed by the department, under the provisions of this act, or causes or procures to be falsely or fraudulently made, forged, altered or counterfeited any such stamp, or knowingly and wilfully utters, publishes, passes or tenders, as true, any such false, altered, forged or counterfeited stamp, or uses more than once any stamp provided for and required by this act, for the purpose of evading the tax hereby imposed and assessed, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to suffer imprisonment for a term of not less than two (2) years or more than five (5) years.

Section 13. [All taxes and penalties received, collected or recovered under the provisions of this act before June first, one thousand nine hundred and thirty-six, shall be paid into the State Treasury, by and through the department, and shall be used only for unemployment relief purposes, and for such purposes are hereby appropriated, and all such taxes and penalties paid into the State Treasury on and after June first, one thousand nine hundred and thirty-six, shall be credited to the General Fund.

Section 14.] The provisions of this act are severable, and if any of its provisions shall be held to be unconstitutional, the decision of the court shall not affect or impair any of the remaining provisions of this act. It is hereby declared to be the legislative intent that this act would have been adopted had such unconstitutional provisions not been included herein.

Constitutional
provision.

Section [15] 14. This act shall become effective thirty days after its final enactment, and shall continue in effect until, and including, the thirty-first day of May, one thousand nine hundred [thirty-seven] *thirty-nine*.

Effective date.

Section 2. This act shall become effective immediately upon its final enactment.

When effective.

APPROVED—The 8th day of April A. D. 1937.

GEORGE H. EARLE

No. 54

AN ACT

To reenact and amend the title and the act, approved the sixteenth day of May, one thousand nine hundred thirty-five (Pamphlet Laws, two hundred eight), entitled "An act to provide revenue for State purposes by imposing an excise tax, for a limited period of time, on the net incomes of certain corporations, joint-stock associations, and limited partnerships; providing for the assessment and collection of the tax, and appeals to courts; conferring powers, and imposing duties on certain persons, corporations, joint-stock associations, limited

partnerships, State, and county officers, boards, and departments; making an appropriation; and providing penalties," as amended, by extending the provisions of the act for a further period of time; reducing the rate of tax; further defining net income; making further provision for filing reports on a fiscal year basis, and for the filing of consolidated reports; providing for the settlement and resettlement of taxes, and review and appeal therefrom; imposing duties and conferring powers on the Auditor General; and making further provisions for the retention of records by corporations, and for interest, penalties.

Title and act of
May 16, 1935
(P. L. 208),
amended.

Section 1. Be it enacted, &c., That the title and all the sections of the act, approved the sixteenth day of May, one thousand nine hundred thirty-five (Pamphlet Laws, two hundred eight), entitled "An act to provide revenue for State purposes by imposing an excise tax, for a limited period of time, on the net incomes of certain corporations, joint-stock associations, and limited partnerships; providing for the assessment and collection of the tax, and appeals to courts; conferring powers, and imposing duties on certain persons, corporations, joint-stock associations, limited partnerships, State, and county officers, boards, and departments; making an appropriation; and providing penalties," as amended, are hereby reenacted, amended or further amended, as the case may be, to read as follows:

AN ACT

Taxation.

To provide revenue for State purposes by imposing an excise tax, for a limited period of time, on the net incomes of certain corporations, joint-stock associations, and limited partnerships; providing for the assessment, [and] collection, [of the tax, and appeals to courts] *settlement and resettlement of taxes, and reviews and appeal therefrom*; conferring powers, and imposing duties on certain persons, corporations, joint-stock associations, limited partnerships, State, and county officers, boards, and departments; making an appropriation; and providing penalties.

Title.

Section 1. Short Title. Be it enacted, &c., That this act shall be known, and may be cited, as the "Corporate Net Income Tax Act."

Definitions.

Section 2. Definitions.—The following words, terms, and phrases, when used in this act, shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning.

"Corporation." A corporation having capital stock, joint-stock association, or limited partnership either organized under the laws of this Commonwealth, the United States, or any other state, territory, or foreign country, or dependency, and doing business in this Commonwealth, or having capital or property employed or used in this Commonwealth by or in the name of itself, or any person, partnership, association, limited

partnership, joint-stock association, or corporation. The word "corporation" shall not include building and loan associations, banks, bank and trust companies, national banks, savings institutions, *trust companies*, beneficial life and limited life insurance companies, mutual fire, mutual casualty and mutual life insurance companies, and foreign stock companies registered in this Commonwealth and therein engaged in doing business as life, fire, and casualty insurance companies, and surety companies. [and trust companies]

"Department." The Department of Revenue of this Commonwealth.

"Net income." 1. In case the entire business of the corporation is transacted within this Commonwealth, net income for the calendar year or fiscal year as returned to, and ascertained by the Federal Government, subject, however, to any correction thereof, for fraud, evasion, or error as finally ascertained by the Federal Government: Provided, That additional deductions shall be allowed from net income on account of any *Federal* taxes paid [to the Government of the United States] *during such calendar or fiscal year for the preceding calendar or fiscal year, or accrued during such calendar or fiscal year for such year, as the case may be*, and on account of any dividends received from any other corporation: And provided further, That in the case of stock, life, fire, casualty, and indemnity insurance companies doing business on the mutual or participating plan, the term "net income" shall not include the dividends paid to policy holders out of net income.

2. In case the entire business of any corporation is not transacted within this Commonwealth, the tax imposed by this act shall be based upon such portion of the net income of such corporation for the fiscal or calendar year, as defined in clause one hereof, as may be determined by allocations and apportionments made as follows:

(a) Gains realized from the sale of capital assets, if such assets consist of real estate or tangible personal property situated in the Commonwealth, shall be allocated to this Commonwealth.

(b) Gains realized from the sale of capital assets, if such assets consist of real estate or tangible personal property situated outside of the Commonwealth, shall not be allocated in any part to this Commonwealth.

(c) The remainder of such net income shall be divided into three equal parts.

(1) Of one-third, such portion shall be attributed to business carried on within [the] *this* Commonwealth, as shall be found by multiplying said one-third by a fraction, whose numerator is the value of the corporation's tangible property situated within this Common-

wealth, and whose denominator is the value of all the corporation's tangible property wherever situated.

(2) Of one-third, such portion shall be attributed to business carried on within the Commonwealth, as shall be found by multiplying said one-third by a fraction, whose numerator is the expenditure of the corporation for wages, salaries, commissions, and other compensation to its employes, and assignable to this Commonwealth as hereinafter provided, and whose denominator is the total expenditures of the corporation for wages, salaries, commissions, and other compensation to all its employes.

(3) Of the remaining third, such portion shall be attributed to business carried on within the Commonwealth, as shall be found by multiplying said third by a fraction, whose numerator is the amount of the taxpayer's gross receipts from business assignable to this Commonwealth as hereinafter provided, and whose denominator is the amount of the taxpayer's gross receipts from all its business.

In cases where only two of the foregoing three rules are applicable, the remainder of the net income of the corporation shall be divided into two equal parts only, each of which shall be apportioned in accordance with one of the remaining two rules. If only one of the three rules is applicable, the part of the net income received from business carried on within the Commonwealth shall be determined solely by that rule.

The amount assignable to this Commonwealth of expenditures of the corporation for wages, salaries, commissions, or other compensation to its employes, shall be such expenditures for the taxable year as represent the wages, salaries, commissions, or other compensation of employes, not chiefly situated at, connected with, or sent out from, premises for the transaction of business owned or rented by the corporation outside the Commonwealth.

The amount of the corporation's gross receipts from business assignable to this Commonwealth shall be the amount of its gross receipts for the taxable year from, (1) sales, *fees, and commissions*, except those negotiated or effected in behalf of the corporation by agents or agencies chiefly situated at, connected with, or sent out from, premises for the transaction of business owned or rented by the taxpayer outside the Commonwealth, [and sales otherwise determined to be attributable to the business conducted on such premises, and] (2) rentals or royalties from property situated, or from the use of patents, within this Commonwealth, and (3) *dividends and interest, except such dividends and interest attributable to the business conducted on premises owned or rented by the taxpayer outside the Commonwealth*. If

a corporation maintains an office, warehouse, or other place of business in a state other than this Commonwealth for the purpose of reducing its tax under this subsection, the department shall, in determining the amount of its gross receipts from business assignable to this Commonwealth, include therein the gross receipts [from sales] attributed by the corporation to the business conducted at such place of business in another state.

A rule shall not be deemed to be inapplicable merely because all the tangible property or the expenditures of a corporation for wages, salaries, commissions, or other compensation, or the gross receipts of the corporation are found to be situated, incurred, or received without the Commonwealth.

“Person.” Every natural person, association, or corporation. Whenever used in any clause prescribing and imposing a fine or imprisonment, or both, the term “person,” as applied to associations, shall mean the partners or members thereof, and as applied to corporations, the officers thereof.

The singular shall include the plural, and the masculine shall include the feminine and neuter.

Section 3. Imposition of Tax.—Every corporation shall be subject to, and shall pay for the privilege of doing business in this Commonwealth, a State excise tax at the rate of six per centum per annum upon each dollar of net income of such corporation received by, and accruing to, such corporation during the calendar year one thousand nine hundred [and] thirty-five, except where a corporation reports to the Federal Government on the basis of a fiscal year, and has certified such fact to the department as required by section four of this act, in which case, such tax, at the rate of six per centum, shall be levied, collected, and paid upon all net income received by, and accruing to, such corporation during the fiscal year commencing in the calendar year one thousand nine hundred and thirty-five and ending in the calendar year one thousand nine hundred [and] thirty-six, [and] a similar tax at the rate of ten per centum per annum upon each dollar of the net income of such corporation received by, and accruing to, such corporation during the calendar year one thousand nine hundred [and] thirty-six, except where a corporation reports to the Federal Government on the basis of a fiscal year, and has certified such fact to the department as required by section four of this act, in which case, such tax, at the rate of ten per centum, shall be levied, collected, and paid upon all net income received by, and accruing to, such corporation during the fiscal year commencing in the calendar year one thousand nine hundred [and] thirty-six and ending in the calendar year one thousand nine hundred [and] thirty-

seven, and a similar tax at the rate of seven per centum per annum upon each dollar of the net income of such corporation during the calendar years one thousand nine hundred thirty-seven and one thousand nine hundred thirty-eight, except when a corporation reports to the Federal Government on the basis of a fiscal year, and has certified such fact to the department as required by section four of this act, in which case, such tax at the rate of seven per centum shall be levied, collected, and paid upon all net income received by, and accruing to, such corporation during the fiscal years commencing in the calendar years one thousand nine hundred thirty-seven and one thousand nine hundred thirty-eight.

The tax hereby imposed shall be in addition to all taxes now imposed on any corporation under the provisions of existing laws.

Report required.

Section 4. Report and Payment of Tax—For the purpose of ascertaining the amount of tax payable under this act, it shall be the duty of every corporation, liable to pay tax under this act, on or before the fifteenth day of April, one thousand nine hundred [and] thirty-six, [and on or before the fifteenth day of April] one thousand nine hundred [and] thirty-seven, *one thousand nine hundred thirty-eight, and one thousand nine hundred thirty-nine*, to transmit to the department, upon a form prescribed, prepared, and furnished by the department, a report under oath or affirmation of its president, vice president or other principal officer, and of its treasurer or assistant treasurer, of net income taxable under the provisions of this act. Such report shall set forth:

Time for filing.

Contents of reports.

(a) A true copy of its return to the Federal Government of the annual net income arising or accruing in the calendar or fiscal year next preceding, or such part or portions of said return, as the department may designate.

(b) If no return was filed with the Federal Government, the report made to the department shall show such information as would have been contained in a return to the Federal Government, had one been made, and

(c) Such other information as the department may require.

The failure of any corporation, liable to pay tax under this act, to procure or receive any report form shall not excuse it from making a report.

Time for payment of the tax.

Every corporation, [at the time of making the report required herein] *upon the date its report is required herein to be made*, shall pay to the department not less than one-half of the tax due to the Commonwealth by it for [the] *such* preceding year, and the remaining one-half of such tax shall be paid [on or before the fifteenth day of May] *within the thirty days next succeeding*, and, *except as otherwise provided by law, no extension*

of time for the filing of any report granted by the department shall extend the date any tax, imposed by this act, shall be due and payable. The amount of all taxes, imposed under the provisions of this act, not paid on or before the [time] times as above provided, shall bear interest at the rate of [twelve] six (6) per centum per annum from the date they are due and payable until sixty (60) days after settlement, and thereafter at the rate of twelve (12) per centum per annum until paid, except that any taxes found due as the result of an appeal to the court of common pleas or any appellate court, shall bear interest at the rate of six per centum per annum from the date such taxes are due and payable until paid: Provided, however, That any corporation may pay the full amount of such tax, or any part thereof, together with interest due to the date of payment, without prejudice to its right to present and prosecute a petition for resettlement, a petition for review, or an appeal to court. [if such payment is accompanied by a protest that the whole, or any part of such payment, is not justly or legally due] If it be thereafter determined that such taxes were overpaid, the department shall enter a credit to the account of such corporation, which may be used by it [or assigned to any other person or corporation for use in the payment of any obligation to the Commonwealth] in the manner prescribed by law.

Rate of interest.

Proviso.

If the officers of any corporation shall neglect, or refuse to make any report as herein required, or shall knowingly make any false report, an additional ten per centum of the amount of the tax shall be added by the department to the tax determined to be due.

Failure to make report.

If any corporation [shall certify to the department that] closes its fiscal year [does] not [close] upon the thirty-first day of December but upon some other date, and [that it] reports to the Federal Government as of such other date, or [that it] would so report were it to make a return to the Federal Government, [then] such corporation shall [be permitted to] certify such fact to the Department of Revenue, and shall make the report, herein required, within [sixty (60)] thirty (30) days after the return to the Federal Government is due, or would be due were it to be required of such corporation, subject in all other respects to the provisions of this act.

Where corporate fiscal year does not close on December 31.

If the corporation shall claim in its report that the return made to the Federal Government was inaccurate, the amount claimed by it to be the net income, taxable under this act, and the basis of such claim of inaccuracy, shall be fully specified.

Section 5. Consolidated Reports.—The department [shall] may, upon application made to it, in such form as it shall prescribe, permit any corporation owning or

controlling, directly or indirectly, a majority of the voting capital stock of another corporation or of other corporations, subject to the provisions of this act, to make a consolidated report, showing the combined net income: *Provided, That consolidated reports may be made only by corporations making consolidated returns to the Federal Government.*

Section 6. Extension of Time to File Reports.—The department may, upon application made to it, in such form as it shall prescribe, on or prior to the last day for filing any report, and upon proper cause shown, grant to the corporation, required to file such report, an extension of not more than sixty (60) days within which such report may be filed, but the amount of tax due shall, in such cases, nevertheless, be subject to [the payment] *interest* from the due dates *and at the rates* fixed by this act. [at the rate of six per centum]

Section 7. Changes Made by Federal Government.—

(a) If the amount of the net income, as returned by any corporation to the Federal Government, is finally changed or corrected by the Commissioner of Internal Revenue or by any other agency or court of the United States, such corporation, within thirty (30) days after the receipt of such final change or correction, shall make *corrected* report, under oath or affirmation, to the department [of] *showing* such finally changed or corrected net income, upon which the tax is required to be paid to the United States. In case a corporation fails to file a report of such correction, which results in an increase in net income within the time prescribed, there shall be added to the tax, a penalty of five dollars (\$5.00) for every day during which such corporation is in default, but the department may abate any such penalty in whole or in part.

(b) If, as a result of such final change or correction, there should be any deduction made from the amount of the net income of any corporation upon which tax is imposed by this act, the Board of Finance and Revenue shall have the power, and its duty shall be to hear and determine any petition for the refund of taxes alleged to have been overpaid, and upon the allowance of such petition, to refund such taxes out of any appropriation made for the purpose, or to credit the account of the corporation entitled to such refund. All such petitions must be filed with the board within two (2) years of the date of such change or correction. Any person, aggrieved by the action of the Board of Finance and Revenue in the determination of any petition for the refund of taxes alleged to have been overpaid, may, within sixty days, appeal to the court of common pleas of Dauphin County from the decision of the board, in

Failure to file corrected report.

Where change entitles taxpayer to deduction.

Time to file petitions.

Appeals.

the manner provided by law for appeals in the case of tax settlements.

Section 8. [Determination and Redetermination of Tax; Penalties and Interest Due.—(a) If within a period of two years after the filing of the report, the department is not satisfied with the report, and payment of tax made by any corporation under the provisions of this act, or if at any time the net income as returned by any corporation to the Federal Government is finally changed or corrected by the Commissioner of Internal Revenue or by any other agency or court of the United States, with the result that tax, in addition to the amount paid, is due under this act, it is hereby authorized and empowered to make a determination of the tax due by such corporation, based upon the facts contained in the report, or upon any information within its possession or that shall come into its possession.] *Settlement and Resettlement.—(a) All taxes due under this act shall be settled by the department, and such settlement shall be subject to audit and approval by the Department of the Auditor General, and shall, so far as possible, be made so that notice thereof may reach the taxpayer before the end of a year after the tax report was required to be made.*

Powers of department to settle taxes.

(b) Promptly after the date of any such [determination] *settlement*, the department shall send, by [registered] mail or otherwise, a copy thereof to such corporation. [Within thirty (30) days after the date of any such determination, such corporation may file with the department a petition for redetermination of such tax. Every petition for redetermination shall state specifically the reasons which the petitioner believes entitle him to such redetermination, and shall be supported by affidavit of an officer of the corporation that it is not made for the purpose of delay, and that the facts therein set forth are true to the best of his knowledge, information, and belief. The department shall, within ninety (90) days after the date of any determination, dispose of any petition for redetermination. Notice of the action, taken upon any petition for redetermination, shall be given to the petitioner promptly after the date of redetermination by the department.] *The tax imposed by this act shall be settled, resettled, and otherwise imposed and adjusted in the same manner, within the same periods of time, and right of resettlement, review, appeal, and, except as herein otherwise prescribed, refund, as provided by law in the case of capital stock and franchise taxes imposed upon corporations.*

Department to send copy of settlement to such corporation.

Resettlement, review, appeal, etc.

(c) [Within thirty (30) days after notice by the department of the action taken on any petition for redetermination filed with it, the corporation, against which such determination was made, may by petition request the Board of Finance and Revenue to review such action. Every petition for review, filed hereunder, shall state specifically the reason upon which the petitioner relies and shall be in such form as the Board of Finance and Revenue shall prescribe. The petition shall be supported by affidavit of an officer of the corporation that it is not made for the purpose of delay, and that the facts therein set forth are true to the best of his knowledge, information, and belief. The Board of Finance and Revenue shall dispose of such petitions, filed with it, within ninety (90) days after they have been received, and in the event of the failure of said board to dispose of any such petition within ninety (90) days, the action taken by the department upon the petition for redetermination shall be deemed sustained. The Board of Finance and Revenue may sustain the action taken on the petition for redetermination, or it may redetermine the tax due upon such basis as it shall deem according to law and equity. Notice of the action of the Board of Finance and Revenue shall be given by mail, or otherwise, to the department and to the petitioners.] *If, within a period of two years after the date of any settlement, the department is not satisfied with such settlement, or if at any time the net income as returned by any corporation to the Federal Government is finally changed or corrected by the Commissioner of Internal Revenue or by any other agency or court of the United States with the result that tax, in addition to the amount paid, is due under this act, the department is hereby authorized and empowered to make a resettlement of the tax due by such corporation, based upon the facts contained in the report, or upon any information within its possession or that shall come into its possession.*

Resettlement
within a period
of 2 years.

Whenever a resettlement shall have been made hereunder, the department shall resettle the account according to law and shall credit or charge, as the case may be, the amount resulting from such resettlement upon the current accounts of the corporation with which it is made.

The resettlement shall be subject to audit and approval by the Department of the Auditor General as in the case of original settlement, and in case of the failure of the two departments to agree, the resettlement shall be submitted to the Board of Finance and Revenue as in the case of original settlements.

(d) [The department or any person aggrieved by the decision of the Board of Finance and Revenue, or by

Resettlement
subject to audit
by the Auditor
General.

the board's failure to act upon his petition for review within ninety (90) days, may within sixty (60) days appeal to the court of common pleas of Dauphin County from the decision of the Board of Finance and Revenue or from the decision of the department, as the case may be, in the manner now or hereafter provided by law for appeals in the case of tax settlements.]

[(e)] If any corporation shall neglect or refuse to make any report and payment of tax required by this act, the department shall estimate the tax due by such corporation and [determine] *subject to audit and approval by the Department of the Auditor General, settle the amount due by it for taxes, penalties, and interest thereon as prescribed herein, from which [determination] settlement there shall be no right of review or appeal, but the department, with the approval of the Department of the Auditor General, may require a report to be filed, and thereupon make a settlement based upon such report and cancel the estimated settlement.*

Failure to report and pay tax.

Section 9. Enforcement; Rules and Regulations; Inquisitorial Powers of the Department.—(a) The department is hereby charged with the enforcement of the provisions of this act, and is hereby authorized and empowered to prescribe, adopt, promulgate, and enforce rules and regulations, not inconsistent with this act, relating to any matter or thing pertaining to the administration and enforcement of the provisions of this act, and the collection of taxes, penalties, and interest imposed by this act. The department is hereby required to have such rules and regulations, promulgated and adopted, printed and shall distribute the same to any person upon request.

The department to enforce the act, and may prescribe and enforce rules.

(b) The department, or any agent authorized in writing by it, is hereby authorized to examine the books, papers, and records, and to investigate the character of the business of any corporation in order to verify the accuracy of any report made, or if no report was made by such corporation, to ascertain and [assess] *settle* the tax imposed by this act. Every such corporation is hereby directed and required to give to the department, or its duly authorized agent, the means, facilities, and opportunity for such examinations and investigations, as are hereby provided and authorized. Any information gained by the department, as a result of any returns, investigations, or verifications required to be made by this act, shall be confidential, except for official purposes, and any person divulging such information shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine of not less than one hundred dollars (\$100.00) or more than one thousand dollars (\$1000.00) and costs of prosecution, or to undergo

Printing of rules.

May examine books, etc., of corporations.

Information to be confidential.

Penalty.

imprisonment for not more than six (6) months, or both, in the discretion of the court.

Costs.

(c) Whenever any person, acting for or on behalf of the department, shall in good faith institute legal proceedings for any violations of the provisions of this act, and for any reason shall fail to recover costs of record, such costs shall be a charge upon the proper county, as shall such costs in the event defendant is imprisoned for failure to pay fine or costs, or both, and shall be audited and paid as are costs of like character in said county.

Extent of powers.

(d) The powers, conferred by this act upon the department, relating to the administration or enforcement of this act, shall be in addition to, but not exclusive of, any other powers heretofore or hereafter conferred upon the department by law.

Records to be retained 3 years.

Section 10. Retention of Records by Corporations; Penalty.—Each corporation shall maintain and keep for a period of [two (2)] *three (3)* years after any report is filed under this act, such record or records of its business within this Commonwealth for the period covered by such report and other pertinent papers, as may be required by the department.

Penalty.

Any person violating any of the provisions of this section shall be guilty of a misdemeanor, and shall, upon conviction thereof, be sentenced to pay a fine not exceeding one thousand dollars (\$1000.00) and costs of prosecution, or to undergo imprisonment for not more than six (6) months, or both, in the discretion of the court.

Penalties.

Section 11. Penalties.—(a) Any person, who shall wilfully [and corruptly] make a false and fraudulent return of net income made taxable by this act, shall be guilty of wilful and corrupt perjury, and, upon conviction thereof, shall be subject to punishment as provided by law. Such penalty shall be in addition to any other penalties imposed by this act.

(b) Any person, who wilfully fails, neglects, or refuses to make a report [and] or to pay the tax as herein prescribed, or who shall refuse to permit the department to examine the books, papers, and records of any corporation liable to pay tax under this act, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine not exceeding one thousand dollars (\$1000.00) and costs of prosecution, or to undergo imprisonment not exceeding six (6) months, or both, in the discretion of the court. Such penalty shall be in addition to any other penalties imposed by this act.

Section 12. [All taxes and penalties received and collected, under the provisions of this act, shall be paid into the State Treasury, and those imposed for the calendar year one thousand nine hundred and thirty-five or

the fiscal year, beginning in the calendar year one thousand nine hundred and thirty-five, and collectible in the year one thousand nine hundred and thirty-six, or thereafter, shall be used only for unemployment relief purposes, and for such purposes are hereby appropriated. All other taxes and penalties, received and collected under the provisions of this act, shall be credited to the General Fund.

Section 13.] Constitutional Construction.—The provisions of this act are severable, and if any of its provisions shall be held unconstitutional, the decision of the court shall not affect or impair any of the remaining provisions of this act. It is hereby declared to be the legislative intent that this act would have been adopted had such unconstitutional provisions not been included herein.

Constitutional provision.

Section [14] 13. Effective Date.—This act shall become effective immediately upon its final enactment, and shall remain in force, only for the imposition and collection of taxes on net income of corporations for the [two] four calendar years one thousand nine hundred [and] thirty-five, [and] one thousand nine hundred [and] thirty-six, *one thousand nine hundred thirty-seven, and one thousand nine hundred thirty-eight*, or for the [two] four fiscal years ending in the calendar years one thousand nine hundred [and] thirty-six, [and] one thousand nine hundred [and] thirty-seven, *one thousand nine hundred thirty-eight, and one thousand nine hundred thirty-nine*.

When effective.

Section 2. This act shall become effective immediately upon its final enactment.

When effective.

APPROVED—The 8th day of April A. D. 1937.

GEORGE H. EARLE

—
No. 55

AN ACT

To further amend sections twenty and twenty-one of the act, approved the first day of June, one thousand eight hundred eighty-nine (Pamphlet Laws, four hundred twenty), 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," by continuing the tax upon that portion of the capital stock of certain corporations, joint-stock associations, limited partnerships, and companies which were formerly exempt; and by further defining the method of computing the franchise tax of foreign corporations.

Section 1. Be it enacted, &c., That sections twenty and twenty-one of the act, approved the first day of June, one thousand eight hundred eighty-nine (Pam-

Taxation.