

AN ACT

Amending the act of July 8, 1957 (P. L. 594), entitled "An act to provide revenue by imposing a State tax upon sales or gifts of cigarettes; requiring persons engaged in the sale of cigarettes to secure licenses; prescribing the method and manner of collecting such tax; making it unlawful to sell or possess cigarettes upon which the tax has not been paid; conferring powers and imposing duties on the Department of Revenue and other persons; making an appropriation and providing penalties," making permanent one of the additional excise taxes and reducing the commissions allowed to stamp affixing agencies.

Pennsylvania
Cigarette Tax
Act.

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

Section 201, act of July 8, 1957, P. L. 594, amended May 4, 1959, P. L. 284, further amended.

Section 1. Section 201, act of July 8, 1957 (P. L. 594), known as the "Pennsylvania Cigarette Tax Act," amended May 4, 1959 (P. L. 284), is amended to read:

Section 201. Imposition of Tax.—An excise tax is hereby imposed and assessed upon the sale or possession of cigarettes within this Commonwealth at the rate of two [(2)] *and one-half* ($2\frac{1}{2}$) cents per ten cigarettes, or fraction thereof.

[In addition to the foregoing, an additional excise tax is hereby imposed and assessed upon the sale or possession of cigarettes within this Commonwealth at the rate of one-half ($\frac{1}{2}$) cent per ten cigarettes, or fraction thereof. The additional tax shall be imposed for the period beginning on the effective date of this act and ending May 31, 1961.]

In addition to the foregoing, an additional excise tax is hereby imposed and assessed upon the sale or possession of cigarettes within this Commonwealth at the rate of one-half ($\frac{1}{2}$) cent per ten cigarettes, or fraction thereof. The proceeds of the additional State excise tax imposed by this paragraph are hereby specifically appropriated for the purposes set forth in the act creating the Korean Conflict Veterans' Compensation Fund, and shall be paid into the Korean Conflict Veterans' Compensation Sinking Fund. The additional tax imposed by this paragraph shall remain in effect until sufficient funds are accumulated to pay the bonds issued and sold pursuant to the act creating the Korean Conflict Veterans' Compensation Fund, the interest thereon and the cost of administering the fund.

Section 304 of the act, amended December 16, 1959, P. L. 1857, further amended.

Section 2. Section 304 of the act, amended December 16, 1959 (P. L. 1857), is amended to read:

Section 304. Commission On Sales.—Whenever the department or other authorized person shall sell, consign

or deliver to any stamp affixing agency any stamps of the face amount of one hundred dollars (\$100.00) or more at any one time, such agent shall be entitled to receive, as compensation for his services and expenses as agent in affixing such stamps and to retain out of the moneys to be paid by him for such stamps, a commission of [four] *one and one-half* per centum [4%] ($1\frac{1}{2}\%$) on the par value thereof if and when such agent has purchased the stamps affixed by him directly from the department or other authorized person.

Section 3. This act shall take effect April 1, 1961.

Effective date.

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

DAVID L. LAWRENCE

No. 15

AN ACT

Imposing a State tax on gross premiums, premium deposits, and assessments received from business transacted within this Commonwealth by certain insurance companies, associations, and exchanges; requiring the filing of annual and tentative reports and the computation and payment of tax; providing for the rights, powers and duties of the Department of Revenue, the taxpayers and officers thereof; and providing penalties.

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

Taxation of insurance companies.

Section 1. Definitions.—The following terms, when used in this act, shall have the meaning ascribed to them in this section:

Definitions.

“Department” means the Department of Revenue.

“Insurance Company” means every insurance company, association or exchange, incorporated or organized by or under the laws of other states or foreign governments, and engaged in transacting insurance business of any kind or classification within this Commonwealth; and every life insurance company, or limited life insurance company, incorporated or organized by or under any law of this Commonwealth, except purely mutual beneficial associations whose funds for the benefit of members and families or heirs are made up entirely of the weekly, monthly, quarterly, semi-annual or annual contributions to their members and the accumulated interest thereon.

“Gross Premiums” means premiums, premium deposits or assessments received by any insurance company, whether received in money or in the form of notes, credits, or any other substitutes for money, and whether