

## No. 398

## AN ACT

Amending the act of June 1, 1956 (P. L. 1944), entitled "An act providing a permanent allocation of a part of the fuels and liquids fuels tax proceeds to cities, boroughs, incorporated towns and townships, for their road, street and bridge purposes; conferring powers and imposing duties on local officers and the Department of Highways; and making an appropriation out of the Motor License Fund; and repealing existing legislation," authorizing the use of allocated funds by first class townships on State highways and drainage facilities.

Allocation of funds for highway purposes.

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

Section 1, and section 6, act of June 1, 1956, P. L. 1944, amended.

Section 1. Section 1, clause (3) of section 2 and section 6, act of June 1, 1956 (P. L. 1944), entitled "An act providing a permanent allocation of a part of the fuels and liquids fuels tax proceeds to cities, boroughs, incorporated towns and townships, for their road, street and bridge purposes; conferring powers and imposing duties on local officers and the Department of Highways; and making an appropriation out of the Motor License Fund; and repealing existing legislation," are amended to read:

Permanent allocation of part of highway funds.

Section 1. In the interest of better roads for all Pennsylvania and an equitable distribution of funds available for highway purposes for use on local roads and streets as related to the burden of highway traffic thereon and the revenues derived therefrom, the General Assembly finds that it is necessary to provide for a permanent allocation of a part of the highway funds among cities, boroughs, incorporated towns and townships, for the roads and streets for which they are responsible, *or in townships of the first class for State highways within their respective boundaries, including drainage facilities.*

Definitions.

Section 2. As used in this act—

\* \* \* \* \*

(3) "Roads and streets" means public roads and streets, including bridges, used for travel by horse drawn and motor vehicles and does not include ways, courts and alleys.

Specifications and work to be approved by Department of Highways.

Section 6. All materials used and work done with moneys herein allocated shall conform to the current specifications of the Department of Highways or specifications approved by the Department of Highways. *All work done on State highways shall be subject to the approval, supervision and control of the Department of Highways.*

Section 2. This act shall take effect immediately, and shall apply to all work for which funds are herein authorized to be expended, heretofore started or completed.

Effective date and applicability.

APPROVED—The 13th day of August, A. D. 1963.

WILLIAM W. SCRANTON

No. 399

AN ACT

Amending the act of May 16, 1935 (P. L. 208), entitled, as amended, "An act to provide revenue for State purposes by imposing an excise tax on the net incomes of certain corporations, joint-stock associations, and limited partnerships; providing for the assessment, collection, 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; and providing penalties," providing exclusion from taxable income for certain investments.

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

Corporate Net Income Tax Act.

Section 1. Subclause (b) of clause 1 and paragraph (1) of subclause (c) of clause 2 of the definition of "Net Income" contained in section 2, act of May 16, 1935 (P. L. 208), known as the "Corporate Net Income Tax Act," reenacted and amended April 30, 1957 (P. L. 80), are amended to read:

Subclause (b), clause 1, and paragraph (1), subclause (c), clause 2, of "Net Income" definition, section 2, act of May 16, 1935, P. L. 208, reenacted and amended April 30, 1957, P. L. 80, further amended.

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.

\* \* \* \* \*

"Net Income." 1. In case the entire business of the corporation is transacted within this Commonwealth,

\* \* \* \* \*

(b) For any taxable year beginning after the thirty-first day of December, one thousand nine hundred fifty-three, and ending after the fifteenth day of August, one thousand nine hundred fifty-four, except as hereinafter provided in the case of stock life insurance companies, taxable income for the calendar year or fiscal year as returned to and ascertained by the Federal Government, or in the case of a corporation participating or which has participated in prior taxable years in the filing of consolidated returns to the Federal Government the taxable income which would have been returned to and ascertained by the Federal Government if separate re-

\* "like" in original