

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2397 Session of
1980

INTRODUCED BY A. K. HUTCHINSON, SCHMITT, GAMBLE AND FEE,
MARCH 18, 1980

REFERRED TO COMMITTEE ON FINANCE, MARCH 18, 1980

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," increasing the gross premiums tax assessed on
11 insurance companies.

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

14 Section 1. Section 902, act of March 4, 1971 (P.L.6, No.2),
15 known as the "Tax Reform Code of 1971," is amended to read:

16 Section 902. (a) Imposition of Tax.--Every insurance
17 company, as herein defined, transacting business in the
18 Commonwealth of Pennsylvania, shall pay to the department, a tax
19 at the rate of [two] three per cent of the gross premiums
20 received from business done within this Commonwealth during each
21 calendar year, except that any insurance company which was not
22 subject to this tax prior to 1971 shall be taxed at the rate of

1 one per cent for the year 1971 and thereafter at the rate of
2 [two] three per cent.

3 (b) Disposition of Taxes.--The taxes paid by foreign fire
4 insurance companies under this act shall continue to be
5 distributed and used for firemen's relief pension or retirement
6 purposes, as provided by section two of the act, approved the
7 twenty-eighth day of June, one thousand eight hundred ninety-
8 five (Pamphlet Laws 408), as amended; and the taxes paid by
9 foreign casualty insurance companies under this act shall
10 continue to be distributed and used for police pension,
11 retirement or disability purposes as provided by the act,
12 approved the twelfth day of May, one thousand nine hundred
13 forty-three (Pamphlet Laws 259), as amended.

14 All other taxes received under this act shall be credited to
15 the General Fund for general revenue purposes.

16 Section 2. This act shall take effect in 60 days and shall
17 apply to calendar year 1980 and each year thereafter.