

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2442 Session of
1986

INTRODUCED BY CIMINI, MORRIS, COY, HALUSKA, JOHNSON, SEMMEL,
BUSH, MICOZZIE, CARLSON AND DISTLER, APRIL 30, 1986

REFERRED TO COMMITTEE ON FINANCE, APRIL 30, 1986

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," imposing an additional tax on the gross receipts
11 of foreign fire insurance companies; and providing for the
12 disposition of the additional revenue.

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

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

18 Section 902. * * *

19 (b) Disposition of Taxes.--[The] Except as provided in
20 section 902.1, the taxes paid by foreign fire insurance
21 companies under this act shall continue to be distributed and
22 used for firemen's relief pension or retirement purposes, as

1 provided by section two of the act, approved the twenty-eighth
2 day of June, one thousand eight hundred ninety-five (Pamphlet
3 Laws 408), as amended; and the taxes paid by foreign casualty
4 insurance companies under this act shall continue to be
5 distributed and used for police pension, retirement or
6 disability purposes as provided by the act, approved the twelfth
7 day of May, one thousand nine hundred forty-three (Pamphlet Laws
8 259), as amended.

9 [All] Except as provided in section 902.1, all other taxes
10 received under this act shall be credited to the General Fund
11 for general revenue purposes.

12 Section 2. The act is amended by adding a section to read:

13 Section 902.1. Imposition of Additional Tax.--(a) In
14 addition to the tax imposed under section 902, every foreign
15 fire insurance company transacting business in the Commonwealth
16 of Pennsylvania shall pay the department an additional tax at
17 the rate of one per cent of the gross premium received from
18 business done within this Commonwealth during each calendar
19 year.

20 (b) The additional revenue raised under subsection (a) shall
21 be deposited in a restricted receipts account in the General
22 Fund and shall be used solely for the following purposes:

23 (1) One-half of the revenues raised shall be used for the
24 construction or reconstruction of six fire training facilities
25 in this Commonwealth, including the sites at Lewistown and
26 Philadelphia.

27 (2) The remaining one-half of the revenues raised shall be
28 deposited into an interest-bearing account, and the interest
29 earned shall be used to fund the salaries and expenses of the
30 paid and volunteer staff necessary to operate the fire training

1 facilities.

2 (c) All other provisions of this article shall be applicable
3 to the tax imposed under subsection (a).

4 Section 3. This act shall be applicable to gross premiums
5 collected on and after January 1, 1987.

6 Section 4. This act shall take effect in 60 days.