

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2088 Session of
1976

INTRODUCED BY RAPPAPORT, BENNETT AND L. E. SMITH,
FEBRUARY 2, 1976

REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE,
FEBRUARY 2, 1976

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," providing for the deduction of the amounts of
11 certain mortgages on residential real estate in ascertaining
12 the actual value of shares on which the bank shares tax is
13 imposed.

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

16 Section 1. Section 701, act of March 4, 1971 (P.L.6, No.2),
17 known as the "Tax Reform Code of 1971," is amended to read:

18 Section 701. Imposition of Tax.--Every bank or savings
19 institution having capital stock, incorporated by or under any
20 law of this Commonwealth or under any law of the United States,
21 and located within this Commonwealth, shall, on or before April
22 15 in each and every year, make to the Department of Revenue a
23 report in writing, verified as required by law, setting forth

1 the full number of shares of the capital stock subscribed for or
2 issued, as of the preceding January 1, by such bank or savings
3 institution having capital stock, and the actual value thereof
4 as of the preceding January 1, which actual value shall be
5 ascertained as hereinafter provided. It shall be the duty of the
6 Department of Revenue to assess such shares for the calendar
7 year beginning January 1, 1971, and each year thereafter, at the
8 rate of fifteen mills upon each dollar of actual value thereof,
9 the actual value of each share of stock to be ascertained and
10 fixed by adding together the amount of capital stock paid in,
11 the surplus, and undivided profits, and dividing this amount by
12 the number of shares. It shall be the duty of every bank or
13 savings institution having capital stock, at the time of making
14 every report required by this section, to compute the tax and to
15 pay the amount of said tax to the State Treasurer, through the
16 Department of Revenue either from its general fund, or from the
17 amount of said tax collected from its shareholders: Provided,
18 That for the calendar year beginning January 1, 1971, and each
19 year thereafter, such bank or savings institution having capital
20 stock, upon the date its report, herein required is made for
21 such calendar year beginning January 1, 1971, and each year
22 thereafter, shall pay to the Department of Revenue not less than
23 eighty per cent of the tax due to the Commonwealth by it for
24 such calendar year, and the remaining tax due shall be paid at
25 the time when the report herein required for the year next
26 succeeding is made: Provided, That in case any bank or savings
27 institution having capital stock, incorporated under the law of
28 this State or of the United States, shall collect, annually,
29 from the shareholders thereof said tax of fifteen mills, on the
30 dollar upon the actual value of all the shares of stock of said

1 bank or savings institution, according to the provisions of this
2 article, that have been subscribed for or issued, and pay the
3 same into the State Treasury, through the Department of Revenue,
4 the shares, and so much of the capital and profits of such bank
5 or savings institution having capital stock as shall not be
6 invested in real estate, shall be exempt from local taxation
7 under the laws of this Commonwealth; and such bank or savings
8 institution having capital stock shall not be required to make
9 any report to the local assessor or county commissioners of its
10 personal property owned by it in its own right for purposes of
11 taxation and shall not be required to pay any tax thereon. In
12 ascertaining the actual value of shares of capital stock in
13 accordance with this section, there shall be deducted from the
14 amount of capital stock paid in, the surplus and undivided
15 profits an amount which is equal to the aggregate balances
16 remaining unpaid on first mortgages on residential real estate
17 made in the original principal sum of fifteen thousand dollars
18 (\$15,000) or less.

19 Section 2. This act shall take effect immediately and apply
20 to the tax year 1976 and each year thereafter.