

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1610 Session of
1987

INTRODUCED BY MANDERINO, JUNE 25, 1987

REFERRED TO COMMITTEE ON APPROPRIATIONS, JUNE 25, 1987

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," further providing for the imposition of tax on
11 bank shares; and providing special payment provisions for the
12 payment of tax on bank shares.

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

15 Section 1. Section 701 of the act of March 4, 1971 (P.L.6,
16 No.2), known as the Tax Reform Code of 1971, amended December 1,
17 1983 (P.L.228, No.66), is amended to read:

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

1 verified as required by law, setting forth the full number of
2 shares of the capital stock subscribed for or issued, as of the
3 preceding January 1, by such bank having capital stock, and the
4 value thereof as of the preceding January 1, which value shall
5 be ascertained as hereinafter provided. It shall be the duty of
6 the Department of Revenue to assess such shares for the calendar
7 years beginning January 1, 1971 through January 1, 1983, at the
8 rate of fifteen mills [and], for the calendar [year] years
9 beginning January 1, 1984 [and each year thereafter], through
10 January 1, 1986, at the rate of one and seventy-five one
11 thousandths per cent and for the calendar year beginning January
12 1, 1987, and each year thereafter at the rate of three and
13 seventy-three one hundredths per cent upon each dollar of value
14 thereof, the value of each share of stock to be ascertained and
15 fixed by adding together the amount of capital stock paid in,
16 the surplus, and undivided profits, and dividing this amount by
17 the number of shares. It shall be the duty of every bank having
18 capital stock, at the time of making every report required by
19 this section, to compute the tax and to pay the amount of said
20 tax to the State Treasurer, through the Department of Revenue
21 either from its general fund, or from the amount of said tax
22 collected from its shareholders: Provided, That for the calendar
23 year beginning January 1, 1971, and each year thereafter, such
24 bank having capital stock, upon the date its report, herein
25 required is made for such calendar year beginning January 1,
26 1971, and each year thereafter, shall pay to the Department of
27 Revenue not less than eighty per cent of the tax due to the
28 Commonwealth by it for such calendar year, and the remaining tax
29 due shall be paid at the time when the report herein required
30 for the year next succeeding is made: Provided, That in case any

1 bank having capital stock, incorporated under the law of this
2 State or of the United States, shall collect, annually, from the
3 shareholders thereof said tax, according to the provisions of
4 this article, that have been subscribed for or issued, and pay
5 the same into the State Treasury, through the Department of
6 Revenue, the shares, and so much of the capital and profits of
7 such bank having capital stock as shall not be invested in real
8 estate, shall be exempt from local taxation under the laws of
9 this Commonwealth; and such bank having capital stock shall not
10 be required to make any report to the local assessor or county
11 commissioners of its personal property owned by it in its own
12 right for purposes of taxation and shall not be required to pay
13 any tax thereon.

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

15 Section 703. Special Payment Provisions.--Within sixty days
16 of the effective date of this section, every bank having capital
17 stock shall pay to the State Treasurer, through the Department
18 of Revenue, eighty per cent of the additional tax liability
19 resulting from the increase in the tax rate for calendar year
20 1987, either from the bank's general fund or from the amount of
21 the tax collected from its shareholders. The remainder of the
22 additional tax liability for calendar year 1987 shall be paid
23 when the report for calendar year 1988 is made.

24 Section 3. This act shall be retroactive to January 1, 1987.

25 Section 4. This act shall take effect immediately.