

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 80

Session of  
1977

INTRODUCED BY MESSRS. DiCARLO, BRUNNER, ARTHURS, DOMBROWSKI,  
FEE, CESSAR, RENWICK, LINCOLN AND O'CONNELL, FEBRUARY 7, 1977

SENATOR SMITH, APPROPRIATIONS, IN SENATE, RE-REPORTED AS  
AMENDED, SEPTEMBER 12, 1978

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 sales tax on sales or  
11 services made by means of coin operated food and beverage  
12 vending machines, CLARIFYING THE RECOGNITION OF THE VALUATION <—  
13 PORTION OF THE LOAN LOSS RESERVE IN ASSESSING THE VALUE OF  
14 CAPITAL STOCK FOR THE BANK SHARES TAX AND THE TITLE INSURANCE  
15 AND TRUST COMPANIES SHARES TAX.

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

18 Section 1. Section 202, act of March 4, 1971 (P.L.6, No.2),  
19 known as the "Tax Reform Code of 1971," is amended by adding a  
20 subsection to read:

21 Section 202. Imposition of Tax.--\* \* \*

22 (d) Notwithstanding any other provisions of this article,

23 the sale or use of food and beverages dispensed by means of coin

1 operated vending machines shall be taxed at the rate of six per  
2 cent of the receipts collected from any such machine which  
3 dispenses food and beverages heretofore taxable.

4 ~~Section 2. This act shall take effect immediately.~~ <—

5 SECTION 2. SECTION 701 AND THE FIRST PARAGRAPH OF SECTION <—  
6 801, ARE AMENDED TO READ:

7 SECTION 701. IMPOSITION OF TAX.--EVERY BANK OR SAVINGS  
8 INSTITUTION HAVING CAPITAL STOCK, INCORPORATED BY OR UNDER ANY  
9 LAW OF THIS COMMONWEALTH OR UNDER ANY LAW OF THE UNITED STATES,  
10 AND LOCATED WITHIN THIS COMMONWEALTH, SHALL, ON OR BEFORE APRIL  
11 15 IN EACH AND EVERY YEAR, MAKE TO THE DEPARTMENT OF REVENUE A  
12 REPORT IN WRITING, VERIFIED AS REQUIRED BY LAW, SETTING FORTH  
13 THE FULL NUMBER OF SHARES OF THE CAPITAL STOCK SUBSCRIBED FOR OR  
14 ISSUED, AS OF THE PRECEDING JANUARY 1, BY SUCH BANK OR SAVINGS  
15 INSTITUTION HAVING CAPITAL STOCK, AND THE ACTUAL VALUE THEREOF  
16 AS OF THE PRECEDING JANUARY 1, WHICH ACTUAL VALUE SHALL BE  
17 ASCERTAINED AS HEREINAFTER PROVIDED. IT SHALL BE THE DUTY OF THE  
18 DEPARTMENT OF REVENUE TO ASSESS SUCH SHARES FOR THE CALENDAR  
19 YEAR BEGINNING JANUARY 1, 1971, AND EACH YEAR THEREAFTER, AT THE  
20 RATE OF FIFTEEN MILLS UPON EACH DOLLAR OF ACTUAL VALUE THEREOF,  
21 THE ACTUAL VALUE OF EACH SHARE OF STOCK TO BE ASCERTAINED AND  
22 FIXED BY ADDING TOGETHER THE AMOUNT OF CAPITAL STOCK PAID IN,  
23 THE SURPLUS, AND UNDIVIDED PROFITS, AND DIVIDING THIS AMOUNT BY  
24 THE NUMBER OF SHARES. IN ASCERTAINING THE ACTUAL VALUE OF EACH  
25 SHARE OF STOCK, THE DEPARTMENT OF REVENUE SHALL NOT INCREASE THE  
26 UNDIVIDED PROFITS BY THE AMOUNT OF THE VALUATION RESERVE FOR  
27 LOAN LOSSES ENTERED ON THE BOOKS OF SUCH BANK OR SAVINGS  
28 INSTITUTION IN ACCORDANCE WITH REQUIREMENTS OF BANKING  
29 REGULATORY AUTHORITIES OF THIS STATE OR OF THE UNITED STATES. IT  
30 SHALL BE THE DUTY OF EVERY BANK OR SAVINGS INSTITUTION HAVING

1 CAPITAL STOCK, AT THE TIME OF MAKING EVERY REPORT REQUIRED BY  
2 THIS SECTION, TO COMPUTE THE TAX AND TO PAY THE AMOUNT OF SAID  
3 TAX TO THE STATE TREASURER, THROUGH THE DEPARTMENT OF REVENUE  
4 EITHER FROM ITS GENERAL FUND, OR FROM THE AMOUNT OF SAID TAX  
5 COLLECTED FROM ITS SHAREHOLDERS: PROVIDED, THAT FOR THE CALENDAR  
6 YEAR BEGINNING JANUARY 1, 1971, AND EACH YEAR THEREAFTER, SUCH  
7 BANK OR SAVINGS INSTITUTION HAVING CAPITAL STOCK, UPON THE DATE  
8 ITS REPORT, HEREIN REQUIRED IS MADE FOR SUCH CALENDAR YEAR  
9 BEGINNING JANUARY 1, 1971, AND EACH YEAR THEREAFTER, SHALL PAY  
10 TO THE DEPARTMENT OF REVENUE NOT LESS THAN EIGHTY PER CENT OF  
11 THE TAX DUE TO THE COMMONWEALTH BY IT FOR SUCH CALENDAR YEAR,  
12 AND THE REMAINING TAX DUE SHALL BE PAID AT THE TIME WHEN THE  
13 REPORT HEREIN REQUIRED FOR THE YEAR NEXT SUCCEEDING IS MADE:  
14 PROVIDED, THAT IN CASE ANY BANK OR SAVINGS INSTITUTION HAVING  
15 CAPITAL STOCK, INCORPORATED UNDER THE LAW OF THIS STATE OR OF  
16 THE UNITED STATES, SHALL COLLECT, ANNUALLY, FROM THE  
17 SHAREHOLDERS THEREOF SAID TAX OF FIFTEEN MILLS, ON THE DOLLAR  
18 UPON THE ACTUAL VALUE OF ALL THE SHARES OF STOCK OF SAID BANK OR  
19 SAVINGS INSTITUTION, ACCORDING TO THE PROVISIONS OF THIS  
20 ARTICLE, THAT HAVE BEEN SUBSCRIBED FOR OR ISSUED, AND PAY THE  
21 SAME INTO THE STATE TREASURY, THROUGH THE DEPARTMENT OF REVENUE,  
22 THE SHARES, AND SO MUCH OF THE CAPITAL AND PROFITS OF SUCH BANK  
23 OR SAVINGS INSTITUTION HAVING CAPITAL STOCK AS SHALL NOT BE  
24 INVESTED IN REAL ESTATE, SHALL BE EXEMPT FROM LOCAL TAXATION  
25 UNDER THE LAWS OF THIS COMMONWEALTH; AND SUCH BANK OR SAVINGS  
26 INSTITUTION HAVING CAPITAL STOCK SHALL NOT BE REQUIRED TO MAKE  
27 ANY REPORT TO THE LOCAL ASSESSOR OR COUNTY COMMISSIONERS OF ITS  
28 PERSONAL PROPERTY OWNED BY IT IN ITS OWN RIGHT FOR PURPOSES OF  
29 TAXATION AND SHALL NOT BE REQUIRED TO PAY ANY TAX THEREON.

30 SECTION 801. IMPOSITION OF TAX.--EVERY COMPANY INCORPORATED

1 UNDER THE PROVISIONS OF SECTION 29 OF AN ACT, ENTITLED "AN ACT  
2 TO PROVIDE FOR THE INCORPORATION AND REGULATION OF CERTAIN  
3 CORPORATIONS," APPROVED APRIL 29, 1874, AND ITS SUPPLEMENTS, OR  
4 ANY OTHER ACT OF ASSEMBLY HERETOFORE OR HEREAFTER APPROVED, FOR  
5 THE INSURANCE OF OWNERS OF REAL ESTATE, MORTGAGES, AND OTHERS  
6 INTERESTED IN REAL ESTATE, FROM LOSS BY REASON OF DEFECTIVE  
7 TITLES, LIENS, AND ENCUMBRANCES, AND EVERY COMPANY ENTITLED TO  
8 BENEFITS OF, AND EVERY COMPANY HAVING ANY OF THE POWERS OF,  
9 COMPANIES ENTITLED TO THE BENEFITS OF AN ACT, ENTITLED "AN ACT  
10 CONFERRING UPON CERTAIN FIDELITY, INSURANCE, SAFETY DEPOSIT,  
11 TRUST, AND SAVINGS COMPANIES, THE POWERS AND PRIVILEGES OF  
12 COMPANIES INCORPORATED UNDER THE PROVISIONS OF SECTION 29 OF AN  
13 ACT, ENTITLED 'AN ACT TO PROVIDE FOR THE INCORPORATION AND  
14 REGULATION OF CERTAIN CORPORATIONS,' APPROVED APRIL 29, 1874,  
15 AND OF THE SUPPLEMENTS THERETO," APPROVED JUNE 27, 1895,  
16 COMMONLY KNOWN AS TITLE INSURANCE OR TRUST COMPANIES, AND EVERY  
17 COMPANY ORGANIZED AS A BANK AND TRUST COMPANY OR AS A TRUST  
18 COMPANY UNDER ANY ACT OF ASSEMBLY HERETOFORE OR HEREAFTER  
19 APPROVED, EXCEPT ANY SUCH COMPANIES, ALL OF THE SHARES OF  
20 CAPITAL STOCK OF WHICH (OTHER THAN SHARES NECESSARY TO QUALIFY  
21 DIRECTORS) ARE OWNED BY A COMPANY WHICH IS LIABLE TO PAY TO THE  
22 COMMONWEALTH A TAX ON SHARES, SHALL, ON OR BEFORE APRIL 15 IN  
23 EACH AND EVERY YEAR, MAKE TO THE DEPARTMENT OF REVENUE A REPORT  
24 IN WRITING, SETTING FORTH THE FULL NUMBER OF SHARES OF THE  
25 CAPITAL STOCK SUBSCRIBED FOR OR ISSUED BY SUCH COMPANY, AND THE  
26 ACTUAL VALUE THEREOF AS OF JANUARY 1 PRECEDING, WHICH SHALL BE  
27 ASCERTAINED AS HEREINAFTER PROVIDED. IT SHALL BE THE DUTY OF THE  
28 DEPARTMENT OF REVENUE, TO ASSESS SUCH SHARES FOR TAXATION AT THE  
29 RATE OF FIFTEEN MILLS UPON EACH DOLLAR OF THE ACTUAL VALUE  
30 THEREOF, THE ACTUAL VALUE OF EACH SHARE OF STOCK TO BE

1 ASCERTAINED AND FIXED BY ADDING TOGETHER THE AMOUNT OF CAPITAL  
2 STOCK PAID IN, THE SURPLUS, AND UNDIVIDED PROFITS, AND DIVIDING  
3 THIS AMOUNT BY THE NUMBER OF SHARES. IN ASCERTAINING THE ACTUAL  
4 VALUE OF EACH SHARE OF STOCK, THE DEPARTMENT OF REVENUE SHALL  
5 NOT INCREASE THE UNDIVIDED PROFITS BY THE AMOUNT OF THE  
6 VALUATION RESERVE FOR LOAN LOSSES ENTERED ON THE BOOKS OF SUCH  
7 COMPANY IN ACCORDANCE WITH REQUIREMENTS OF BANKING REGULATORY  
8 AUTHORITIES OF THIS STATE OR OF THE UNITED STATES.

9 \* \* \*

10 SECTION 3. THIS ACT SHALL TAKE EFFECT IMMEDIATELY AND  
11 SECTION 2 SHALL BE APPLICABLE TO REQUIRE USE OF THE AMOUNT OF  
12 THE VALUATION RESERVE FOR LOAN LOSSES ENTERED ON THE BOOKS OF  
13 EVERY BANK, SAVINGS INSTITUTION, OR TITLE INSURANCE OR TRUST  
14 COMPANY IN DETERMINING THE SHARES TAX LIABILITIES FOR ALL YEARS  
15 INCLUDING PRIOR YEARS FOR WHICH (I) THE RIGHT TO FILE PETITIONS  
16 FOR RESETTLEMENT, REVIEW OR REFUND OR TO APPEAL TO THE COURTS  
17 HAS NOT BEEN BARRED BY LAW, OR (II) AN APPEAL TO THE COURTS IS  
18 PENDING, REGARDLESS WHETHER THE TAXES WERE ASSESSED UNDER THE  
19 PROVISIONS OF THE "TAX REFORM CODE OF 1971," OR COMPARABLE  
20 PROVISIONS OF PRIOR LAW.