

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 757 Session of  
1993

INTRODUCED BY CORNELL, MARCH 22, 1993

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, MARCH 22, 1993

AN ACT

1 Amending the act of June 17, 1913 (P.L.507, No.335), entitled  
2 "An act to provide revenue for State and county purposes,  
3 and, in cities coextensive with counties, for city and county  
4 purposes; imposing taxes upon certain classes of personal  
5 property; providing for the assessment and collection of the  
6 same; providing for the duties and compensation of  
7 prothonotaries and recorders in connection therewith; and  
8 modifying existing legislation which provided for raising  
9 revenue for State purposes," further providing for tax for  
10 county and city purposes.

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

13 Section 1. Section 1 of the act of June 17, 1913 (P.L.507,  
14 No.335), referred to as the Intangible Personal Property Tax  
15 Law, amended July 25, 1963 (P.L.294, No.157), is amended to  
16 read:

17 Section 1. Be it enacted, &c., That all personal property of  
18 the classes hereinafter enumerated, owned, held or possessed by  
19 any resident, which, as used in this section, shall mean any  
20 person, persons, copartnership, or unincorporated association or  
21 company, resident, located, or liable to taxation within this

1 Commonwealth, or by any joint-stock company or association,  
2 limited partnership, bank or corporation whatsoever, formed,  
3 erected or incorporated by, under, or in pursuance of any law of  
4 this Commonwealth or of the United States, or of any other state  
5 or government, and liable to taxation within this Commonwealth,  
6 whether such personal property be owned, held, or possessed by  
7 such resident in his, her, their, or its own right, or as active  
8 trustee, agent, attorney-in-fact, or in any other capacity, or  
9 by any resident as trustee, agent or attorney-in-fact, jointly  
10 with one or more trustees, agents or attorney-in-fact, domiciled  
11 in another state, where such personal property is held and  
12 managed in this Commonwealth, except as executor or  
13 administrator of the estate of a non-resident decedent, and  
14 except as trustee for a resident or non-resident religious,  
15 charitable or educational organization, no part of the net  
16 earnings of which inures to the benefit of any private  
17 stockholder or individual for the use, benefit, or advantage of  
18 any other person, copartnership, unincorporated association,  
19 company, joint-stock company or association, limited  
20 partnership, bank or corporation, and the equitable interest in  
21 any such personal property of the classes hereinafter  
22 enumerated, owned, held or possessed by any resident, where the  
23 legal title to such personal property is vested in a trustee,  
24 agent, or attorney-in-fact, domiciled in another state, or where  
25 the legal title to such personal property is vested in more than  
26 one trustee, agent or attorney-in-fact, one or more of whom are  
27 domiciled in another state, and one or more of whom are  
28 domiciled within this Commonwealth, and such personal property  
29 is held and managed in another state, and where such resident is  
30 entitled to receive all or any part of the income therefrom--is

1 hereby made taxable annually, with provisions for pro rating,  
2 for county purposes, and, in cities coextensive with counties,  
3 for city and county purposes, at the rate of four mills of each  
4 dollar of the value thereof, and no failure to assess or return  
5 the same shall discharge such owner or holder thereof, from  
6 liability therefor, that is to say,--

7 All mortgages; all moneys owing by solvent debtors, whether  
8 by promissory note, or penal or single bill, bond, or judgment;  
9 all articles of agreement and accounts bearing interest; all  
10 public loans whatsoever, except those issued by this  
11 Commonwealth or the United States, and except the public loans  
12 and obligations of any county, city, borough, town, township,  
13 school district, and incorporated district of this Commonwealth,  
14 and except the bonds and obligations of bodies corporate and  
15 politic of this Commonwealth, known as municipal authorities;  
16 all loans issued by any corporation, association, company, or  
17 limited partnership, created or formed under the laws of this  
18 Commonwealth or of the United States, or of any other state or  
19 government, including car-trust securities and loans secured by  
20 bonds or any other form of certificate or evidence of  
21 indebtedness, whether the interest be included in the principal  
22 of the obligation or payable by the terms thereof, except such  
23 loans as are made taxable for State purposes by section  
24 seventeen of the act, approved the twenty-second day of June,  
25 one thousand nine hundred thirty-five (Pamphlet Laws 414), as  
26 reenacted and amended; all shares of stock in any bank,  
27 corporation, association, company, or limited partnership,  
28 created or formed under the laws of this Commonwealth or of the  
29 United States, or of any other state or government, except  
30 shares of stock in any bank, bank and trust company, national

1 banking association, savings institution, corporation, or  
2 limited partnership liable to a tax on its shares or a gross  
3 premiums tax, or liable to or relieved from the capital stock or  
4 franchise tax for State purposes under the laws of this  
5 Commonwealth; and all moneys loaned or invested in other states,  
6 territories, the District of Columbia, or foreign countries; all  
7 other moneyed capital owing to individual citizens of the State:  
8 Provided, That this section shall not apply to bank notes, or  
9 notes discounted or negotiated by any bank or banking  
10 institution, savings institution, or trust company, nor to  
11 loans, shares of stock, or other securities, held by bankers or  
12 brokers solely for trading purposes; nor to accounts or debit  
13 balances owing by customers of bankers or brokers in the usual  
14 courses of business; nor to interest bearing accounts in any  
15 bank or banking institution, savings institution, employees'  
16 thrift or savings association, whether operated by employees or  
17 the employer, or trust company; nor to personal property held in  
18 the commercial department and owned in its own right by a  
19 banking institution, savings institution, or trust company, in  
20 liquidation by a receiver, trustee, or other fiduciary, nor to  
21 personal property formerly held by a banking institution in its  
22 own right, but assigned by it to one or more trustees for  
23 liquidation and payment to the creditors and stockholders of  
24 such banking institutions, it being the intent and purpose of  
25 this proviso that no tax be assessed or collected for the years  
26 one thousand nine hundred and thirty-five, one thousand nine  
27 hundred and thirty-six, one thousand nine hundred and thirty-  
28 seven, one thousand nine hundred and thirty-eight, one thousand  
29 nine hundred and thirty-nine, one thousand nine hundred and  
30 forty, and thereafter upon the personal property enumerated

1 herein, nor shall this act apply to the proceeds of any life  
2 insurance policy held in whole or in part by the insurer, nor  
3 the principal value of annuities nor to any personal property  
4 held in any trust, forming part of a stock, bonus, pension or  
5 profit sharing plan of an employer for the exclusive benefit of  
6 his employees, or their beneficiaries, which trust under the  
7 latest ruling of the Commissioner of Internal Revenue is  
8 exempted from Federal income tax, nor to any personal property  
9 held under the provisions of a plan established by or for an  
10 individual or individuals for retirement purposes if such plan  
11 meets the requirements for exemption from Federal income tax of  
12 income earned on investments held under its provisions: And  
13 provided further, That the provisions of this act shall not  
14 apply to building and loan associations, or to shares of stock  
15 issued by building and loan associations, or to savings  
16 institutions having no capital stock; and, if at any time,  
17 either now or hereafter, any persons, individuals, or bodies  
18 corporate have agreed or shall hereafter agree to issue his,  
19 their, or its securities, bonds or other evidences of  
20 indebtedness, clear of and free from the said four mills tax  
21 herein provided for, or any part thereof, or have agreed or  
22 shall hereafter agree to pay the same, nothing herein contained  
23 shall be so construed as to relieve or exempt him, it, or them  
24 from paying the said four mills tax on any of the said such  
25 securities, bonds, or other evidences of indebtedness, as may be  
26 held, owned by, or owing to the said savings institution having  
27 no capital stock: And provided further, That the provisions of  
28 this act shall not apply to fire companies, firemen's relief  
29 associations, life, casualty or fire insurance corporations  
30 having no capital stock, secret and beneficial societies, labor

1 unions and labor union relief associations, and all beneficial  
2 organizations paying sick or death benefits, or either or both,  
3 from funds received from voluntary contributions or assessments  
4 upon members of such associations, societies, or unions: And  
5 provided further, That corporations, limited partnerships, and  
6 joint-stock associations, liable to tax on their shares or the  
7 aforesaid capital stock or franchise tax for State purposes,  
8 shall not be required to make any report or pay any further tax,  
9 under this section, on the mortgages, bonds, and other  
10 securities owned by them in their own right; but corporations,  
11 limited partnerships, and joint-stock associations, holding such  
12 securities as trustees, executors, administrators, guardians, or  
13 in any other manner, except as mere custodian for the real  
14 owner, and except as executor or administrator of the estate of  
15 a nonresident decedent, and except as trustee for a resident or  
16 nonresident religious, charitable or educational organization,  
17 no part of the net earnings of which inures to the benefit of  
18 any private stockholder or individual, shall return and pay the  
19 tax imposed by this section upon all securities so held by them  
20 as in the case of individuals: And provided further, That none  
21 of the classes of property made taxable by this section for  
22 county purposes, and, in cities coextensive with counties, for  
23 city and county purposes, shall be taxed or taxable for any  
24 other local purpose, under the laws of this Commonwealth: And  
25 provided further, That the provisions of this section shall not  
26 apply to personal property, of the class hereinabove enumerated,  
27 received or acquired with proceeds of money or property received  
28 from any person or persons, copartnership, or unincorporated  
29 association or company, nonresident in or not located within  
30 this Commonwealth, or from any joint-stock company or

1 association, limited partnership, bank or corporation formed,  
2 erected, or incorporated by, under or in pursuance of, any law  
3 of the United States, or of any state or government other than  
4 this Commonwealth, by any person or persons, copartnership,  
5 unincorporated association, company, joint-stock company or  
6 association, limited partnership, bank, or corporation as active  
7 trustee, agent, attorney-in-fact, or in any other capacity, for  
8 the use, benefit, or advantage of any person or persons,  
9 copartnership, or unincorporated association or company,  
10 nonresident in or not located within this Commonwealth, or for  
11 the use, benefit or advantage of any joint-stock company or  
12 association, limited partnership, bank or corporation formed,  
13 erected, or incorporated by, under, or in pursuance of any law  
14 of the United States, or of any state or government other than  
15 this Commonwealth; nor shall the provisions of this section  
16 apply to personal property held for the use, benefit or  
17 advantage of any resident who shall have in each of the ten  
18 preceding calendar years given or contributed all of his net  
19 income to any corporation organized or operated exclusively for  
20 religious, charitable, scientific, literary, or educational  
21 purposes.

22       The value of the equitable interest in any personal property  
23 made subject to tax by this section shall be measured by  
24 ascertaining the value of the personal property in which such  
25 resident has the sole equitable interest, or in case of divided  
26 equitable interests in the same personal property, then by  
27 ascertaining such part of the value of the whole of such  
28 personal property as represents the equitable interest of such  
29 resident therein.

30       For the purposes of this act, the value of any taxable shares

1 of stock issued by any regulated investment company as defined  
2 under the provisions of the Federal Internal Revenue Code of  
3 1948, shall be that part of the current value of such shares, to  
4 be determined by multiplying said current value by a fraction,  
5 the numerator of which shall be the total value of so much of  
6 the personal property owned by the regulated investment company  
7 as would be taxable by this act if owned by a resident of  
8 Pennsylvania and the denominator of which shall be the total  
9 value of all of the personal property owned by the regulated  
10 investment company.

11 Section 2. All acts and parts of acts are repealed insofar  
12 as they are inconsistent with this act.

13 Section 3. This act shall take effect in 60 days.