

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 78 Session of  
2013

INTRODUCED BY CUTLER, GINGRICH, DUNBAR, EMRICK, PICKETT,  
KAUFFMAN, BLOOM, TRUITT, AUMENT, MOUL, GROVE, C. HARRIS, COX,  
ROSS, DENLINGER, LAWRENCE AND GABLER, JANUARY 10, 2013

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES,  
AS AMENDED, JANUARY 22, 2013

## AN ACT

1 ~~Abolishing the corporate loan tax; and repealing acts imposing~~ <--  
2 ~~such tax and related acts and parts of acts.~~  
3 AMENDING THE ACT OF APRIL 9, 1929 (P.L.343, NO.176), ENTITLED, <--  
4 AS AMENDED, "AN ACT RELATING TO THE FINANCES OF THE STATE  
5 GOVERNMENT; PROVIDING FOR THE SETTLEMENT, ASSESSMENT,  
6 COLLECTION, AND LIEN OF TAXES, BONUS, AND ALL OTHER ACCOUNTS  
7 DUE THE COMMONWEALTH, THE COLLECTION AND RECOVERY OF FEES AND  
8 OTHER MONEY OR PROPERTY DUE OR BELONGING TO THE COMMONWEALTH,  
9 OR ANY AGENCY THEREOF, INCLUDING ESCHEATED PROPERTY AND THE  
10 PROCEEDS OF ITS SALE, THE CUSTODY AND DISBURSEMENT OR OTHER  
11 DISPOSITION OF FUNDS AND SECURITIES BELONGING TO OR IN THE  
12 POSSESSION OF THE COMMONWEALTH, AND THE SETTLEMENT OF CLAIMS  
13 AGAINST THE COMMONWEALTH, THE RESETTLEMENT OF ACCOUNTS AND  
14 APPEALS TO THE COURTS, REFUNDS OF MONEYS ERRONEOUSLY PAID TO  
15 THE COMMONWEALTH, AUDITING THE ACCOUNTS OF THE COMMONWEALTH  
16 AND ALL AGENCIES THEREOF, OF ALL PUBLIC OFFICERS COLLECTING  
17 MONEYS PAYABLE TO THE COMMONWEALTH, OR ANY AGENCY THEREOF,  
18 AND ALL RECEIPTS OF APPROPRIATIONS FROM THE COMMONWEALTH,  
19 AUTHORIZING THE COMMONWEALTH TO ISSUE TAX ANTICIPATION NOTES  
20 TO DEFRAY CURRENT EXPENSES, IMPLEMENTING THE PROVISIONS OF  
21 SECTION 7(A) OF ARTICLE VIII OF THE CONSTITUTION OF  
22 PENNSYLVANIA AUTHORIZING AND RESTRICTING THE INCURRING OF  
23 CERTAIN DEBT AND IMPOSING PENALTIES; AFFECTING EVERY  
24 DEPARTMENT, BOARD, COMMISSION, AND OFFICER OF THE STATE  
25 GOVERNMENT, EVERY POLITICAL SUBDIVISION OF THE STATE, AND  
26 CERTAIN OFFICERS OF SUCH SUBDIVISIONS, EVERY PERSON,  
27 ASSOCIATION, AND CORPORATION REQUIRED TO PAY, ASSESS, OR  
28 COLLECT TAXES, OR TO MAKE RETURNS OR REPORTS UNDER THE LAWS  
29 IMPOSING TAXES FOR STATE PURPOSES, OR TO PAY LICENSE FEES OR  
30 OTHER MONEYS TO THE COMMONWEALTH, OR ANY AGENCY THEREOF,  
31 EVERY STATE DEPOSITORY AND EVERY DEBTOR OR CREDITOR OF THE  
32 COMMONWEALTH," FURTHER PROVIDING FOR TREASURERS OF PRIVATE

1 CORPORATIONS TO COLLECT TAX FROM INTEREST PAID AND FOR REPORT  
2 OF CORPORATE LOANS AND PAYMENT OF TAX; AND MAKING RELATED  
3 REPEALS.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 ~~Section 1. Short title.~~

<--

7 ~~This act shall be known and may be cited as the Corporate~~  
8 ~~Loan Tax Abolishment Act.~~

9 ~~Section 2. Corporate loan tax abolished.~~

10 ~~The tax on corporate loans for a fiscal year beginning in the~~  
11 ~~calendar year 2013 and thereafter is abolished.~~

12 ~~Section 3. Power to collect tax.~~

13 ~~The abolition of this tax shall not affect the power of the~~  
14 ~~Department of Revenue or any other enforcement or collection~~  
15 ~~agency of the Commonwealth from collecting any tax accrued~~  
16 ~~before the abolition of the tax or from exercising any power~~  
17 ~~conferred on them in connection therewith.~~

18 ~~Section 4. Savings provision.~~

19 ~~This act does not affect any act done, liability incurred or~~  
20 ~~right accrued or vested or affect any civil or criminal~~  
21 ~~proceeding pending or to be commenced to enforce any right or~~  
22 ~~penalty or punish any offense under any statute or part of a~~  
23 ~~statute repealed by this act.~~

24 ~~Section 5. Repeals.~~

25 ~~The following acts and parts of acts are repealed, except~~  
26 ~~insofar as they are necessary for the collection of taxes~~  
27 ~~accrued before the abolition by this act of the tax on corporate~~  
28 ~~loans.~~

29 ~~Section 42 of the act of April 29, 1844 (P.L.486, No.318),~~  
30 ~~entitled "An act to reduce the state debt, and to incorporate~~  
31 ~~the Pennsylvania canal and railroad company."~~

~~Act of July 15, 1919 (P.L.954, No.374), entitled "An act providing for the collection and payment over to the Commonwealth by private and public corporations of State taxes on scrip, bonds, certificates, and evidences of indebtedness issued or assumed by such corporations, and requiring certain reports in connection therewith."~~

~~Sections 17 and 18 of the act of June 22, 1935 (P.L.414, No.182), known as the State Personal Property Tax Act. Section 20. Effective date.~~

~~This act shall take effect in 60 days.~~

SECTION 1. SECTION 606 OF THE ACT OF APRIL 9, 1929 (P.L.343, <-- NO.176), KNOWN AS THE FISCAL CODE, IS REPEALED:

[SECTION 606. TREASURERS OF PRIVATE CORPORATIONS TO COLLECT TAX FROM INTEREST PAID.--THE TREASURER OF EVERY PRIVATE CORPORATION, EXCEPT CORPORATIONS OF THE FIRST CLASS AND COOPERATIVE AGRICULTURAL ASSOCIATIONS NOT HAVING CAPITAL STOCK AND NOT CONDUCTED FOR PROFIT, SHALL CONTINUE TO BE THE AGENT OF THE COMMONWEALTH, FOR THE PURPOSE OF ASSESSING, COLLECTING, AND PAYING INTO THE STATE TREASURY THE TAX IMPOSED BY LAW UPON ANY SCRIP, BOND, CERTIFICATE, OR EVIDENCE OF INDEBTEDNESS, ISSUED OR ASSUMED BY SUCH CORPORATION, OR UPON WHICH INTEREST SHALL BE PAID AND HELD BY RESIDENTS OF THIS COMMONWEALTH, INCLUDING INTEREST PAID FOR PRIOR YEARS, BUT ALL TAXES THUS COLLECTED SHALL BE PAID INTO THE STATE TREASURY, THROUGH THE DEPARTMENT OF REVENUE.

FOR HIS SERVICES AS SUCH AGENT, EVERY SUCH TREASURER SHALL BE COMPENSATED AT THE RATES NOW PROVIDED BY LAW.]

SECTION 2. SECTION 708 OF THE ACT, AMENDED JULY 13, 1957 (P.L.838, NO.388), IS REPEALED:

[SECTION 708. REPORT OF CORPORATE LOANS AND PAYMENT OF

1 TAX.--THE TREASURER OF EVERY PRIVATE CORPORATION, EXCEPT  
2 CORPORATIONS OF THE FIRST CLASS, AND COOPERATIVE AGRICULTURAL  
3 ASSOCIATIONS NOT HAVING CAPITAL STOCK AND NOT CONDUCTED FOR  
4 PROFIT, SHALL REPORT, ANNUALLY, ON OR BEFORE THE FIFTEENTH DAY  
5 OF APRIL, TO THE DEPARTMENT OF REVENUE, THE AMOUNT OF  
6 INDEBTEDNESS OF THE CORPORATION, OR ASSUMED BY IT, OR UPON WHICH  
7 IT PAYS INTEREST, OWNED BY RESIDENTS OF THIS COMMONWEALTH, AS  
8 NEARLY AS THE SAME CAN BE ASCERTAINED, AND WHENEVER ANY SUCH  
9 CORPORATION SHALL MAKE A PAYMENT OF INTEREST ON ANY SCRIP,  
10 BONDS, CERTIFICATES AND EVIDENCE OF INDEBTEDNESS, DUE AND  
11 PAYABLE FOR PRIOR YEARS, IT SHALL ALSO BE THE DUTY OF THE  
12 TREASURER OF SUCH CORPORATION TO REPORT THE SAME FORTHWITH TO  
13 THE DEPARTMENT OF REVENUE, GIVING SUCH INFORMATION ABOUT SUCH  
14 PAYMENT AS THE DEPARTMENT OF REVENUE SHALL REQUIRE. EVERY SUCH  
15 TREASURER, AT THE TIME OF MAKING EVERY REPORT REQUIRED BY THIS  
16 SECTION, SHALL COMPUTE AND PAY TO THE DEPARTMENT THE TAX DUE THE  
17 COMMONWEALTH UPON SUCH SCRIP, BONDS, CERTIFICATES AND EVIDENCES  
18 OF INDEBTEDNESS, AS REQUIRED BY LAW.]

19 SECTION 3. REPEALS ARE AS FOLLOWS:

20 (1) THE GENERAL ASSEMBLY DECLARES THAT THE REPEALS UNDER  
21 PARAGRAPHS (2) AND (3) ARE NECESSARY TO EFFECTUATE THE REPEAL  
22 OF SECTIONS 606 AND 708 OF THE ACT.

23 (2) THE ACT OF JULY 15, 1919 (P.L.954, NO.374),  
24 ENTITLED, "AN ACT PROVIDING FOR THE COLLECTION AND PAYMENT  
25 OVER TO THE COMMONWEALTH BY PRIVATE AND PUBLIC CORPORATIONS  
26 OF STATE TAXES ON SCRIP, BONDS, CERTIFICATES, AND EVIDENCES  
27 OF INDEBTEDNESS ISSUED OR ASSUMED BY SUCH CORPORATIONS, AND  
28 REQUIRING CERTAIN REPORTS IN CONNECTION THEREWITH," IS  
29 REPEALED.

30 (3) SECTIONS 17 AND 18 OF THE ACT OF JUNE 22, 1935

1 (P.L.414, NO.182), KNOWN AS THE STATE PERSONAL PROPERTY TAX  
2 ACT, ARE REPEALED.

3 SECTION 4. THE FOLLOWING PROVISIONS SHALL APPLY TO TAX YEARS  
4 BEGINNING AFTER DECEMBER 31, 2013:

5 (1) THE REPEAL OF SECTIONS 606 AND 708 OF THE ACT.

6 (2) SECTION 3 OF THIS ACT.

7 SECTION 5. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.