

**SUPPLEMENTARY ACT, TAXATION**

**Act of Jun. 1, 1889, P.L. 420, No. 332**

**Cl. 72**

**A FURTHER SUPPLEMENT**

To an act entitled "An act to provide revenue by taxation," approved the seventh day of June, Anno Domini one thousand eight hundred and seventy-nine.

Section 22. That, if the said officers of any such limited partnership, joint-stock association, or corporation shall neglect or refuse to furnish the Auditor General, on or before the last day of March in each and every year, with the report and appraisement as aforesaid, as required by law, it shall be the duty of the accounting officers of the Commonwealth to add ten per centum to the tax of said limited partnership, joint-stock association, or corporation for each and every year for which such report and appraisement were not so furnished, which percentage shall be settled and collected with the said tax in the usual manner of settling accounts and collecting such taxes. If the officers of any limited partnership, association, joint-stock association, or corporation, or any of them, shall intentionally neglect or refuse to furnish the Auditor General with the report and appraisement, as required by law, for three successive years, he or they shall be guilty of a misdemeanor, and on conviction thereof shall be sentenced to pay a fine of five hundred dollars, and undergo an imprisonment not exceeding one year, or both or either, at the discretion of the court: And provided further, That the Auditor General shall report the fact to the Governor, who, if he shall be satisfied that such failure was intentional, shall thereupon by proclamation declare the charter of said corporation or company forfeited and its chartered privileges at an end; whereupon the same shall cease, end, and be determined, saving, however, the rights of the creditors and stockholders in and to any property, assets, claims, or demands of the corporation or company.

Section 25. In case any bank or savings institution incorporated by this State or the United States shall elect to collect annually from the shareholders thereof a tax of eight mills on the dollar upon the par value of all shares of said bank or savings institution that have been subscribed for or issued, and pay the same into the State Treasury on or before the first day of March in each year, the shares and so much of the capital and profits of such bank as shall not be invested in real estate shall be exempt from local taxation under the laws of this Commonwealth. It shall be the duty of the president or cashier of every bank or savings institution incorporated by or under the laws of this Commonwealth failing to pay in the eight mill tax as aforesaid to make report in writing to the Auditor General, on or before the twentieth day of June of each year, stating specifically the amount of capital stock and the amount paid in, a full and complete list of the shareholders of such bank or savings institution with their residences and number and par value of shares of stock held by each person respectively, and the value of said stock in the market where such bank or savings institution is located during the year ending with the twentieth day of June, which said report shall be verified by the oath of the president or cashier, taken before some officer authorized to administer oaths; and the said president or cashier shall also furnish a duplicate original of said report to the commissioners or board of revision of the proper city or county in which such bank or savings institution is located, to be used by them for the

purpose of assessing all taxes against said shareholders. The Auditor General shall have power to inquire into the value of such stock and either abate or increase the assessment as may be just; if the said bank officers shall neglect or refuse to furnish the reports aforesaid as above required, it shall be the duty of the Auditor General to require the said officers to appear before him in person, with the books and accounts of the said bank or savings institution, for interrogation and examination, and the Auditor General shall have power to issue subpoenas and attachments to be served by any constable or sheriff, and to compel the attendance of such officers and the production of such books and papers as he may deem necessary to make a correct list of the shareholders with their residences and the number and value of their shares; and the said Auditor General shall settle an account in the usual mode against the individual shareholders for the State tax of four mills and proceed to collect the same according to law, and he shall also transmit the list and assessments made by him to the commissioners or board of revision of the proper cities and counties to be used by them in assessing taxes against the shareholders; and any president or cashier of any bank or savings institution neglecting or refusing to furnish the said report, or to do and perform any of the matters and things required of him by this act, and shall be liable to a penalty of one thousand dollars; and any bank or savings institution refusing to permit the said president or cashier to make the said reports or to produce its books as above required, shall be liable to a like penalty of one thousand dollars; and the Auditor General may settle an account against the president and cashier so neglecting or refusing to make report as aforesaid or against the bank or savings institution refusing to permit the making of said report or the production of its books and papers as aforesaid, and proceed for the collection of said penalties for the use of the Commonwealth, in the same manner as taxes are now recoverable by law.

Section 26. That from and after the passage of this act, every national bank located within this Commonwealth, which shall fail to elect to collect annually from the shareholders thereof a tax of eight mills on the dollar upon the par value of all the shares of said bank that have been subscribed or issued, shall, on or before the twentieth day of June in each and every year, make to the Auditor General a report in writing, verified by the oath or affirmation of the president or cashier, setting forth the full number of shares of the capital stock issued by such national bank, and the actual value thereof, whereupon it shall be the duty of the Auditor General to assess the same for taxation at the same rate as that imposed upon other moneyed capital in the hands of individual citizens of this State, that is to say, at the rate of four mills upon each dollar of the actual value thereof, and for that purpose he shall have the power and it shall be his duty, in case he shall not be satisfied with the correctness of the report, to summon the officers of said national bank to appear before him upon notice so to do, on a day to be fixed by him, and to bring with them all the books of the said national bank, showing its business, assets and dividends, for his examination; and it shall be his further duty to hear any stockholder who may desire to be heard on the question of the valuation of the shares as aforesaid; and he shall have the right by other evidence, to satisfy himself as to the correctness of the valuation of said shares of stock in said report contained, and to correct said valuation. The Auditor General shall thereupon transmit to the

said national banks a statement of the valuation and assessment so made by him, and the amount of tax due the Commonwealth on all of said shares, which tax the said banks shall, within thirty days after receiving said statement, collect from their shareholders and pay over into the State Treasury: Provided, That if any national bank shall fail or refuse to make said report or to pay said tax at the said times herein specified, or shall make any false statement in said report, or shall fail or refuse by its officers to appear before the Auditor General, upon notice as aforesaid, or shall fail or refuse to produce its books for examination when required to do so, the Auditor General, after having ascertained the actual value of each share of the capital stock of said national bank, from the best information which he can obtain, shall add thereto fifty per centum, assess the taxes as aforesaid, and proceed according to law to collect the same from said bank.

Section 27. Corporations and limited partnerships; manufacturing companies and cooperative agricultural associations exempt

From and after the passage of this act every incorporated company or limited partnership whatever, whether the same be incorporated, formed or organized under the laws of this or any other State or territory, and doing business within this commonwealth, and liable to taxation therein, which is not subject to the taxes imposed by the twenty-first or twenty-fourth sections of this act, except incorporated banks and savings institutions having capital stock, and foreign insurance companies, shall annually, upon the fifteenth day of March of each year, make report to the department of revenue setting forth the entire amount of net earnings or income received by said company or limited partnership from all sources during the preceding year, and such other information as the department may require; and upon such net earnings or income, the said company, association or limited partnership, as the case may be, shall pay into the State Treasury, through the Department of Revenue, for the use of the Commonwealth, within the time prescribed by law for the payment of state taxes settled by the Department of Revenue, three per centum upon such annual net earnings or income, in addition to any taxes on personal property to which it may be subject under the first section of this act. The penalty for failure to make such report shall be as provided by law: Provided, That this section shall not apply to corporations and limited partnerships chartered or organized for manufacturing purposes, nor to cooperative agricultural associations organized under the laws of this or any other State.

There shall be no liability for tax under the provisions of this act from any cooperative agricultural association doing business in the Commonwealth of Pennsylvania prior to the passage of this amendment. 1889, June 1, P.L. 420, Sec. 27; 1929, April 25, P.L. 668, Sec. 1; 1945, May 23, P.L. 910, Sec. 1.

Section 28. That one-fourth of the revenue realized to the commonwealth under the twenty-first section of this act, until the first day of November one thousand eight hundred and ninety, shall be assigned to the sinking fund of the commonwealth, and the other three-fourths of said revenue to the general revenue fund, but after that date one-half of said revenue shall be assigned to the sinking fund, and the other one-half to the general revenue fund; and all taxes imposed by the other sections of this act and the revenues derived therefrom, shall be assigned to the general revenue fund, and the moneys in said

fund be applicable to the payment of the ordinary and current expenses of the government.

Section 29. That the Auditor General and State Treasurer, or any agent appointed in writing by them, or either of them, are hereby authorized to examine the books and papers of any corporation, institution, company, or association, or limited partnership made taxable by this act, or any of its supplements, to verify the accuracy of any return made under the provisions of this or any other act of Assembly.

Section 30. That in the settlement by the Auditor General and State Treasurer of all accounts for taxes due the Commonwealth, they shall charge interest upon the amount of tax or balance or balances found due the Commonwealth, at the rate of twelve per centum per annum from thirty days after the time said taxes or balances become due and payable to the time of the settlement of the same; and all balances due the Commonwealth on accounts settled by the Auditor General and State Treasurer shall bear interest from sixty days after date of settlement at the rate of twelve per centum per annum until the same are paid, except where appeals have been taken from settlements made by the Auditor General or by the Auditor General and State Treasurer; and any judgments recovered thereon, except where appeals have been taken as aforesaid, shall bear interest at the rate of twelve per centum per annum until paid; and the payment of interest as aforesaid shall not relieve any corporation from any of the penalties or commissions prescribed by law for neglect or refusal to furnish reports to the Auditor General or to pay any claim due to the Commonwealth from such corporation: Provided, That the Auditor General shall first have sent to such corporation a statement of the amount due.

#### Section 31. Taxes to be liens

All taxes imposed by this act shall be a lien upon the franchises and property, both real and personal, of corporations, companies, associations, joint-stock associations and limited partnerships, from the time the said taxes are due and payable; and whenever the franchises or property of a corporation, company, association, joint-stock association or limited partnership shall be sold at a judicial sale, all taxes due the Commonwealth shall first be allowed and paid out of the proceeds of such sale, before any judgment, mortgage or other claims which shall be entered of record or become a lien after the passage of this act. 1889, June 1, P.L. 420, Sec. 31.

Section 32. No corporation to be dissolved, or judicial sale valid, until taxes are paid

No corporation, company, joint-stock association, association or limited partnership made taxable by this act, shall hereafter be dissolved by the decree of any court of common pleas, nor shall any judicial sale be valid or a distribution of the proceeds thereof be made, until all taxes due the Commonwealth have been fully paid into the State Treasury, and the certificate of the Auditor General, State Treasurer and Attorney General to this effect filed in the proper court, with the proceedings for dissolution or sale. 1889, June 1, P.L. 420, Sec. 32.

#### Section 33. Former acts not repealed

Nothing in this act contained shall be taken or construed to alter or repeal existing laws imposing taxes upon collateral inheritances, or imposing any bonus, or tax, nor with the license or tax on net earnings to be paid by bankers, brokers, private banks, unincorporated banks and savings institutions. 1889, June 1, P.L. 420, Sec. 33.

Section 34. Auditor General to prepare blanks

The Auditor General is hereby authorized to prepare all blanks, in such forms as he may deem best calculated to insure true returns of all property taxable under the provisions of this act, and the collection of the taxes therein, and to take all necessary action to enforce the provisions of this act.

1889, June 1, P.L. 420, Sec. 34.

Section 35. That nothing in this act contained shall be taken or construed to relieve any person or persons, co-partnership, unincorporated association, joint-stock association, company, limited partnership, bank or other corporation whatsoever, from the payment of any tax, taxes or penalty due or owing to the Commonwealth under any law in force at the time of the passage of this act, but the same shall be collected under and by virtue of the laws by which they were imposed, which laws shall be taken for said purpose to be in full force and effect.

Section 36. That from and after the passage of this act, sections two, three, four and seven of the act, entitled "An act to provide revenue by taxation," approved the seventh day of June, Anno Domini one thousand eight hundred and seventy-nine, and sections one, three, five and twenty of the act, entitled "A further supplement to an act entitled 'An act to provide revenue by taxation,' approved the seventh of June, one thousand eight hundred and seventy-nine," approved June thirtieth, one thousand eight hundred and eighty-five, and section one of an act entitled "An act requiring boom companies to make report to the auditor general of the number of logs annually rafted by them, and to pay taxes," approved April six, one thousand eight hundred and seventy, and all other sections and parts of the said acts which are inconsistent herewith, or which are hereby substantially reenacted, and all other acts or parts of acts inconsistent herewith or which are hereby substantially reenacted, be and the same are hereby repealed, saving, reserving and excepting unto the Commonwealth the right to collect any tax, taxes, interest, penalty or penalties due or owing, or accrued under the said sections, laws or parts of law, or any of them, prior to the date of the approval of this act.