

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1118 Session of
1993

INTRODUCED BY TRELLO, COLAIZZO, CAPPABIANCA, COY, DeLUCA,
NAILOR, FAJT, RAYMOND, VAN HORNE, MELIO, LEE, PETRARCA,
COWELL, ROONEY, B. SMITH, D. W. SNYDER, SEMMEL, ADOLPH,
FARMER, FLICK, GEIST, PISTELLA, FAIRCHILD, HERMAN, BROWN,
S. H. SMITH, NYCE, FARGO, BARLEY, ARMSTRONG, E. Z. TAYLOR,
LYNCH, ULIANA, HESS, GODSHALL, CESSAR, CLYMER, ROBERTS,
GERLACH, HASAY, KASUNIC, SCHULER, OLASZ, SAURMAN, WOGAN, LEH,
MILLER, KING, ARGALL, STISH, PETTIT, JAROLIN, CARONE,
LAUGHLIN, BELFANTI, COLAFELLA, PESCI, DRUCE, SERAFINI,
O'BRIEN, CLARK, MUNDY, GANNON, RITTER, HECKLER, KAISER, BUSH
AND TOMLINSON, APRIL 19, 1993

REFERRED TO COMMITTEE ON FINANCE, APRIL 19, 1993

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," repealing the tax on annuity considerations.

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

13 Section 1. Section 901(3) of the act of March 4, 1971
14 (P.L.6, No.2), known as the Tax Reform Code of 1971, is
15 repealed.

16 Section 2. Sections 902 and 903 of the act, amended August
17 4, 1991 (P.L.97, No.22), are amended to read:

1 Section 902. (a) Imposition of Tax.--Every insurance
2 company, as herein defined, transacting business in the
3 Commonwealth of Pennsylvania, shall pay to the department, a tax
4 at the rate of two per cent of the gross premiums [and annuity
5 considerations] received from business done within this
6 Commonwealth during each calendar year, except that any
7 insurance company which was not subject to this tax prior to
8 1971 shall be taxed at the rate of one per cent for the year
9 1971 and thereafter at the rate of two per cent.

10 (b) Disposition of Taxes.--

11 (1) The taxes paid by foreign fire insurance companies under
12 this act shall continue to be distributed and used for firemen's
13 relief pension or retirement purposes, as provided by section
14 two of the act, approved the twenty-eighth day of June, one
15 thousand eight hundred ninety-five (Pamphlet Laws 408), as
16 amended; and the taxes paid by foreign casualty insurance
17 companies under this act shall continue to be distributed and
18 used for police pension, retirement or disability purposes as
19 provided by the act, approved the twelfth day of May, one
20 thousand nine hundred forty-three (Pamphlet Laws 259), as
21 amended.

22 (2) All other taxes received under this act shall be
23 credited to the General Fund for general revenue purposes.

24 Section 903. Annual Report.--Every insurance company shall
25 make a report to the department on a form prescribed by it on or
26 before April 15 of each year, showing the gross premiums [and
27 annuity considerations] received from business transacted in the
28 Commonwealth during the year ending December 31 preceding. When
29 making such report, the insurance company shall compute and pay
30 to the Commonwealth the tax upon the gross premiums [and annuity

1 considerations] received from business transacted within this
2 Commonwealth during such preceding year.

3 Section 3. Section 43(6) of the act of August 4, 1991
4 (P.L.97, No.22), entitled "An act amending the act of March 4,
5 1971 (P.L.6, No.2), entitled 'An act relating to tax reform and
6 State taxation by codifying and enumerating certain subjects of
7 taxation and imposing taxes thereon; providing procedures for
8 the payment, collection, administration and enforcement thereof;
9 providing for tax credits in certain cases; conferring powers
10 and imposing duties upon the Department of Revenue, certain
11 employers, fiduciaries, individuals, persons, corporations and
12 other entities; prescribing crimes, offenses and penalties,'
13 further providing for the imposition of sales and use tax on
14 certain services and for the reissuance of sales and use tax
15 licenses; providing for the increase of personal income tax, for
16 poverty exemptions to the tax, for notice of certain sales and
17 transfers and for the withholding of certain tax on shares;
18 further providing for the imposition, rate and collection of
19 corporate net income tax and capital stock and franchise tax;
20 further providing for the collection of bank shares tax,
21 insurance premiums tax, and title insurance and trust companies
22 tax; extending the utilities gross receipts tax; further
23 providing for the collection of the public utility realty tax;
24 increasing the rate of the cigarette tax; imposing a cigarette
25 floor tax; further providing for commissions for cigarette tax
26 agents, and dedicating a portion of the revenues for
27 agricultural farmland preservation and children's health care;
28 further providing for imposition, collection and administration
29 of tax on property passing upon death; further providing for the
30 reports and payments of certain estimated taxes; and making

1 repeals," is repealed.

2 Section 4. This act shall take effect July 1, 1993.