

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 19, 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

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

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

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

~~SECTION 701. IMPOSITION OF TAX. EVERY BANK OR SAVINGS~~
~~INSTITUTION HAVING CAPITAL STOCK, INCORPORATED BY OR UNDER ANY~~
~~LAW OF THIS COMMONWEALTH OR UNDER ANY LAW OF THE UNITED STATES,~~
~~AND LOCATED WITHIN THIS COMMONWEALTH, SHALL, ON OR BEFORE APRIL~~
~~15 IN EACH AND EVERY YEAR, MAKE TO THE DEPARTMENT OF REVENUE A~~
~~REPORT IN WRITING, VERIFIED AS REQUIRED BY LAW, SETTING FORTH~~
~~THE FULL NUMBER OF SHARES OF THE CAPITAL STOCK SUBSCRIBED FOR OR~~
~~ISSUED, AS OF THE PRECEDING JANUARY 1, BY SUCH BANK OR SAVINGS~~
~~INSTITUTION HAVING CAPITAL STOCK, AND THE ACTUAL VALUE THEREOF~~
~~AS OF THE PRECEDING JANUARY 1, WHICH ACTUAL VALUE SHALL BE~~
~~ASCERTAINED AS HEREINAFTER PROVIDED. IT SHALL BE THE DUTY OF THE~~
~~DEPARTMENT OF REVENUE TO ASSESS SUCH SHARES FOR THE CALENDAR~~
~~YEAR BEGINNING JANUARY 1, 1971, AND EACH YEAR THEREAFTER, AT THE~~
~~RATE OF FIFTEEN MILLS UPON EACH DOLLAR OF ACTUAL VALUE THEREOF,~~
~~THE ACTUAL VALUE OF EACH SHARE OF STOCK TO BE ASCERTAINED AND~~
~~FIXED BY ADDING TOGETHER THE AMOUNT OF CAPITAL STOCK PAID IN,~~
~~THE SURPLUS, AND UNDIVIDED PROFITS, AND DIVIDING THIS AMOUNT BY~~
~~THE NUMBER OF SHARES. IN ASCERTAINING THE ACTUAL VALUE OF EACH~~
~~SHARE OF STOCK, THE DEPARTMENT OF REVENUE SHALL NOT INCREASE THE~~
~~UNDIVIDED PROFITS BY THE AMOUNT OF THE VALUATION RESERVE FOR~~
~~LOAN LOSSES ENTERED ON THE BOOKS OF SUCH BANK OR SAVINGS~~
~~INSTITUTION IN ACCORDANCE WITH REQUIREMENTS OF BANKING~~
~~REGULATORY AUTHORITIES OF THIS STATE OR OF THE UNITED STATES. IT~~
~~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 2. 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.~~