

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1933 Session of
1984

INTRODUCED BY WOGAN, SALVATORE, PERZEL, WESTON, O'BRIEN, GANNON,
KOSINSKI, DEAL AND RICHARDSON, FEBRUARY 14, 1984

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 14, 1984

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," increasing the rate of taxation on certain
11 insurance companies doing business in Pennsylvania; and
12 providing for the distribution of the increased tax revenues.

13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. Section 902 of the act of March 4, 1971 (P.L.6,
16 No.2), known as the Tax Reform Code of 1971, is amended to read:

17 Section 902. (a) Imposition of Tax.--(1) Every insurance
18 company, as herein defined, transacting business in the
19 Commonwealth of Pennsylvania, shall pay to the department, a tax
20 at the rate of two per cent of the gross premiums received from
21 business done within this Commonwealth during each calendar
22 year, except that any insurance company which was not subject to

1 this tax prior to 1971 shall be taxed at the rate of one per
2 cent for the year 1971 and thereafter at the rate of two per
3 cent.

4 (2) Every foreign casualty insurance company, transacting
5 business in the Commonwealth of Pennsylvania, shall pay to the
6 department, an additional tax at the rate of one per cent of the
7 gross premiums received from business done within this
8 Commonwealth during each calendar year.

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

21 (2) The additional revenues which result from the increase
22 in the rate of tax on foreign casualty insurance premiums from
23 two per cent to three per cent effective January 1, 1983 shall
24 be distributed only to those police pension funds that agree to
25 provide as of January 1, 1984 an increase in cost-of-living
26 adjustment benefits to existing pensioners equal to the average
27 of the United States Department of Labor's Consumer Price Index
28 for the preceding twelve-month period. The additional revenues
29 resulting from the increased tax rate shall be allocated to each
30 qualified pension fund in proportion to the number of

1 pensioners.

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

4 Section 2. This act shall apply to calendar year 1983 and
5 each year thereafter.

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