

*authorized by a permit for agricultural purposes in connection with the raising of crops and the protection of crops from bird and animal damage, or the use of fireworks by railroads or other transportation agencies for signal purposes or illumination, or when used in quarrying or for blasting or other industrial use, or the sale or use of blank cartridges for a show or theatre, or for signal or ceremonial purposes in athletics or sports, or for use by military organizations or organizations composed of veterans of the United States Army or Navy.*

Act of May 15, 1939, P. L. 134, further amended by adding a new section 4.1.

Power to grant permits for use of suitable fireworks for agricultural purposes.

Section 2. The act is amended by adding, after section four, a new section to read:

*Section 4.1. The governing body of any city, borough, town or township shall have the power, under reasonable rules and regulations adopted by it, to grant permits for the use of suitable fireworks for agricultural purposes in connection with the raising of crops and the protection of crops from bird and animal damage. Such permits shall be good for the calendar year in which issued. After such permit has been granted, sales, possession and use of fireworks of the type and for the purpose mentioned in the permit shall be lawful for that purpose only.*

APPROVED—The 10th day of February, A. D. 1956.

GEORGE M. LEADER

No. 326

### AN ACT

Amending the act of May twenty-three, one thousand nine hundred forty-nine (Pamphlet Laws 1669), entitled, as amended, "An act to provide revenue for school districts of the first class by imposing a tax on persons engaging in certain businesses, professions, occupations, trades, vocations and commercial activities therein; providing for its levy and collection; conferring and imposing powers and duties on the Board of Public Education, receiver of school taxes and school treasurer in such districts; and prescribing penalties," excluding certain costs from the term "receipts."

Taxation—school districts of the first class.

Clause (5), section 1, act of May 23, 1949, P. L. 1669, re-enacted and amended May 10, 1951, P. L. 265, and amended August 22, 1953, P. L. 1357, further amended.

The General Assembly of the Commonwealth \*of Pennsylvania hereby enacts as follows:

Section 1. Clause (5) of section one, act of May twenty-three, one thousand nine hundred forty-nine (Pamphlet Laws 1669), entitled, as amended, "An act to provide revenue for school districts of the first class by imposing a tax on persons engaging in certain businesses, professions, occupations, trades, vocations and commercial activities therein; providing for its levy and

\* "om" in original.

collection; conferring and imposing powers and duties on the Board of Public Education, receiver of school taxes and school treasurer in such districts; and prescribing penalties," reenacted and amended May ten, one thousand nine hundred and fifty-one (Pamphlet Laws 265), and amended August twenty-two, one thousand nine hundred fifty-three (Pamphlet Laws 1357), is amended to read:

Section 1. Definitions.—The following words and phrases when used in this act shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.

\* \* \* \* \*

(5) "Receipts." Cash, credits, property of any kind or nature, received in or allocable to a school district of the first class from any business or by reason of any sale made or services rendered or commercial or business transaction had within a school district of the first class, without deduction therefrom on account of the cost of property sold, materials used, labor, service, or other cost, interest or discount paid, or any other expense. "Receipts" shall exclude (a) the dollar volume of annual business covering the resale of goods, wares or merchandise taken by a dealer as a trade-in or as part payment for other goods, wares and merchandise in the usual and ordinary course of his business, except to the extent that the resale price exceeds the trade-in allowance; (b) in the case of a financial business, the cost of securities and other property sold, exchanged, paid at maturity, or redeemed, and moneys or credits received in repayment of advances, credits and loans, but not to exceed the principal amount of such advances, credits and loans, and shall also exclude deposits, and in the case of building and loan or savings and loan associations, payments received on account of shares purchased by shareholders; (c) in the case of a broker, any commissions paid by him to another broker on account of a purchase or sales contract initiated, executed or cleared in conjunction with such other broker; (d) the receipts or the portion thereof attributable to any sale involving the bona fide delivery of goods, commodities, wares or merchandise of the taxpayer's own manufacture, growth or produce, to a location regularly maintained by the other party to the transaction outside the limits of such school district, and not for the purpose of evading or avoiding payment of the tax or any portion thereof imposed under this act; (e) in the case of a

person who at the execution of a contract for the sale in a natural state of the produce of a mine does not have title thereto and does not at any time take possession thereof, the cost to him of the produce of a mine covered by the contract. For the purpose of determining taxable receipts from sales made by a manufacturing corporation of goods, commodities, wares and merchandise of its own manufacture through a wholly owned distributing corporation, such sales shall be treated as if made directly by the manufacturing corporation to the vendees of the distributing corporation. For the purpose of determining taxable receipts from sales made by a manufacturing corporation of goods, commodities, wares and merchandise of its own manufacture made through a distributing corporation, such sales shall be treated as if made directly by the manufacturing corporation to the vendees of the distributing corporation, if a majority of the shares of stock of both the manufacturing corporation and the distributing corporation is owned by the same individual, association or corporation. For the purpose of determining receipts from the business of insurance, such receipts shall mean those from premiums received from risks within the school district of the first class, whether by mutual or stock companies, domestic or foreign, without any deductions therefrom for any cost or expense whatsoever. The collector shall determine from such data as he shall require from insurance companies subject to this act, the amount of such receipts, and shall ascertain the amount of the tax in accordance with such determination. *“Receipts” shall exclude the cost of the commodity at its source in the case of a person who is a wholesale dealer in fresh meats produced by such person by the slaughter of cattle, hogs and sheep.*

Act effective immediately.  
Retroactive to January 1, 1950.  
No refunds.

Section 2. The act shall take effect immediately, and shall be retroactive to January one, one thousand nine hundred fifty. No refunds of taxes, interest or penalties paid prior to the effective date of this act shall be made as a result of the amendments herein contained.

APPROVED—The 10th day of February, A. D. 1956.

GEORGE M. LEADER