

act if owned by a resident of Pennsylvania and the denominator of which shall be the total value of all of the personal property owned by the regulated investment company.

APPROVED—The 25th day of July, A. D. 1963.

WILLIAM W. SCRANTON

No. 156

AN ACT

Amending the act of May 23, 1949 (P. L. 1676), entitled, as amended, "An act to provide revenue in school districts of the first class by imposing a tax upon certain classes of personal property; providing for its levy and collection; conferring and imposing powers and duties on the county assessing authority, board of revision of taxes, receiver of school taxes, school treasurer, board of public education in such districts, and courts; providing for compensation to certain officers and employes; and imposing penalties," providing that the tax shall not apply to property held under certain plans established by individuals for retirement purposes.

School districts of first class: personal property tax.

Section 2, act of May 23, 1949, P. L. 1676, reenacted and amended May 10, 1951, P. L. 237, and amended August 26, 1953, P. L. 1463, further amended.

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

Section 1. Section 2, act of May 23, 1949 (P. L. 1676), entitled, as amended, "An act to provide revenue in school districts of the first class by imposing a tax upon certain classes of personal property; providing for its levy and collection; conferring and imposing powers and duties on the county assessing authority, board of revision of taxes, receiver of school taxes, school treasurer, board of public education in such districts and courts; providing for compensation to certain officers and employes; and imposing penalties," reenacted and amended May 10, 1951 (P. L. 237) and amended August 26, 1953 (P. L. 1463), is amended to read:

Section 2. Tax on Mortgages, Judgments, etc.; Imposition and Rate of Tax; Exceptions.—All personal property of the classes hereinafter enumerated, owned, held, or possessed by, any resident, whether such personal property be owned, held, or possessed by such resident in his, her, their, or its, own right, or as active trustee, agent, attorney-in-fact, or in any other capacity, or by any resident as trustee, agent or attorney-in-fact, jointly with one or more trustees, agents or attorneys-in-fact, domiciled in another state, or within this Commonwealth, but outside the school district levying the tax, where such personal property is held and managed in such school district of the first class, except as executor or

administrator of the estate of a non-resident decedent, and except as trustee for a resident or non-resident religious, charitable, or educational organization, no part of the net earnings of which inures to the benefit of any private stockholder or individuals for the use, benefit or advantage of any other person, copartnership, unincorporated association, company, joint-stock company or association, limited partnership, bank or corporation; and the equitable interest in any such personal property of the classes hereinafter enumerated, owned, held, or possessed by, any resident, where the legal title to such personal property is vested in a trustee, agent or attorney-in-fact domiciled in another state, or within this Commonwealth, but outside the school district levying the tax; or where the legal title to such personal property is vested in more than one trustee, agent or attorney-in-fact, one or more of whom are domiciled in another state, or within this Commonwealth, but outside the school district levying the tax, and one or more of whom are domiciled within such school district, such personal property is held and managed in another state, or within this Commonwealth, but outside the school district levying the tax, and where such resident is entitled to receive all or part of the income therefrom, is hereby made taxable annually for the year one thousand nine hundred fifty, and annually thereafter, for public school purposes in school districts of the first class, and shall be levied upon annually by the board of public education in every such school district at the rate of not less than one (1) nor more than four (4) mills on each dollar of the value thereof, and no failure to assess or return the same shall discharge such owner or holder thereof from liability therefor, that is to say:

All mortgages, all moneys owing by solvent debtors, whether by promissory note or penal or single bill, bond or judgment, all articles of agreement and accounts bearing interest, all public loans whatsoever, except those issued by this Commonwealth or the United States, and except the public loans and obligations of any county, city, borough, town, township, school district, and incorporated district of this Commonwealth, and except the bonds and obligations of bodies corporate and politic of this Commonwealth, known as municipal authorities; all loans issued by any corporation, association, company or limited partnership, created or formed under the laws of this Commonwealth, or of the United States or of any other state or government, including car-trust securities, and loans secured by bonds, or any other form of certificate or evidence of indebtedness, whether the interest be included in the principal of the obligation or payable by the terms thereof, and all scrip, bonds, certificates and evidences of indebtedness issued,

and all scrip, bonds, certificates and evidences of indebtedness assumed, or on which interest shall be paid by any and every private corporation, incorporated or created under the laws of this Commonwealth, or the laws of any other state or of the United States, and doing business in any school district of the first class levying the tax, except first class or nonprofit corporations; all shares of stock in any bank, corporation, association, company, or limited partnership, created or formed under the laws of this Commonwealth or of the United States or of any other state or government, except shares of stock in any bank, bank and trust company, national banking association, savings institutions, *corporation, or limited partnership, liable to a tax on its shares, or a gross premiums tax, or liable to or relieved from the capital stock or franchise tax for State purposes under the laws of this Commonwealth, and all moneys loaned or invested in other states, territories, the District of Columbia, or foreign countries; all other moneyed capital owing to individual citizens of the school district levying the tax: Provided, That this section shall not apply to bank notes or notes discounted or negotiated by any bank or banking institution, savings institution or trust company, nor to loans, shares of stock, or other securities, held by bankers or brokers solely for trading purposes, nor to accounts or debit balances owing by customers of bankers or brokers in the usual courses of business, nor to interest bearing accounts in any bank or banking institution, savings institution, employes thrift or savings association, whether operated by employes or the employer or trust company, nor to personal property held in the commercial department and owned in its own right by a banking institution, savings institution, or trust company in liquidation by a receiver, trustee, or other fiduciary, nor to personal property formerly held by a banking institution in its own right but assigned by it to one or more trustees for liquidation and payment to the creditors and stockholders of such banking institutions, nor shall this act apply to the proceeds of any life insurance policy held in whole or part by the insurer, nor the principal value of annuities, nor to any personal property held in any trust forming part of a stock, bonus, pension or profit sharing plan of an employer for the exclusive benefit of his employes or their beneficiaries, which trust, under the latest ruling of the Commissioner of Internal Revenue, is exempted from Federal income tax, *nor to any personal property held under the provisions of a plan established by or for an individual or individuals for retirement purposes if such plan meets the requirements for exemption from*

* "corporations" in original.

Federal income tax of income earned on investments held under its provisions: And provided further, That the provisions of this act shall not apply to building and loan associations or to shares of stock issued by building and loan associations, or to savings institutions having no capital stock, and if at any time, either now or hereafter, any persons, individuals or bodies corporate have agreed or shall hereafter agree to issue his, their, or its securities, bonds, or other evidences of indebtedness, clear of and free from the tax herein provided for, or any part thereof, or have agreed or shall hereafter agree to pay the same, nothing herein contained shall be so construed as to relieve or exempt him, it, or them, from paying the tax on any of such securities, bonds, or other evidences of indebtedness as may be held, owned by, or owing to, the said savings institution having no capital stock: And provided further, That the provisions of this act shall not apply to fire companies, firemen's relief associations, life, casualty, or fire insurance corporations having no capital stock, secret and beneficial societies, labor unions and labor union relief associations, and all beneficial organizations paying sick or death benefits, or either or both, from funds received from voluntary contributions or assessments upon members of such associations, societies or unions: And provided further, That corporations, limited partnerships and joint-stock associations liable to tax on their shares, or the aforesaid capital stock or franchise tax, for State purposes, shall not be required to make any report, or pay any further tax under this section on the mortgages, bonds and other securities owned by them in their own right, but corporations, limited partnerships and joint-stock associations holding such securities as trustees, executors, administrators, guardians, or in any other manner, except as executor or administrator of the estate of a nonresident decedent, and except as trustee for a resident or nonresident religious, charitable or educational organization, no part of the net earnings of which inures to the benefit of any private stockholder or individual, shall return and pay the tax imposed by this section upon all securities so held by them as in the case of individuals: And provided further, That the provisions of this section shall not apply to personal property of the classes hereinabove enumerated, received or acquired with proceeds of money or property received from any person or persons, copartnership, or unincorporated association or company nonresident in, or not located within, such school district, or from any joint-stock company or association, limited partnership, bank or corporation formed, erected, or incorporated, by, under, or in pursuance of, any law of the United States or of any state or government other than this Common-

wealth, by any person or persons, copartnership, unincorporated association, company, joint-stock company or association, limited partnership, bank, or corporation, as active trustee, agent, attorney-in-fact, or in any other capacity, for the use, benefit or advantage of any person or persons, copartnership, or unincorporated association or company nonresident in, or not located within, such school district, or for the use, benefit or advantage of any joint-stock company or association, limited partnership, bank or corporation, formed, erected, or incorporated, by, under, or in pursuance of, any law of the United States or of any state or government other than this Commonwealth, nor shall the provisions of this section apply to personal property held for the use, benefit or advantage of any resident who shall have, in each of the ten preceding calendar years, given or contributed all of his net income to any corporation organized or operated exclusively for religious, charitable, scientific, literary, or educational purposes.

The value of the equitable interest in any personal property made subject to tax by this section shall be measured by ascertaining the value of the personal property in which such resident has the sole equitable interest, or in case of divided equitable interests in the same personal property, then by ascertaining such part of the value of the whole of such personal property as represents the equitable interest of such resident therein.

The value of any taxable shares of stock issued by any regulated investment company, as defined under the provisions of the Federal Internal Revenue Code of 1948, shall be that part of the current value of said shares to be determined by multiplying said current value by a fraction, the numerator of which shall be the total value of so much of the personal property owned by the regulated investment company as would be taxable by this act if owned by a resident of Pennsylvania and the denominator of which shall be the total value of all of the personal property owned by the regulated investment company.

Act effective immediately.

Section 2. This act shall take effect immediately.

APPROVED—The 25th day of July, A. D. 1963.

WILLIAM W. SCRANTON

No. 157

AN ACT

Amending the act of June 17, 1913 (P. L. 507), entitled "An act to provide revenue for State and county purposes, and in cities coextensive with counties, for city and county purposes; imposing taxes upon certain classes of personal property; providing