

No. 67

AN ACT

HB 1413

Amending the act of March 6, 1956 (P.L.1228), entitled, as amended, "An act to provide revenue for purposes of public education by imposing a tax on the sale, use, storage, rental or consumption of personal property and certain services and upon the occupancy of hotel rooms; providing for certain exclusions; providing for licenses, reports and payment of tax, interest and penalties, assessments, collections, liens, reviews and appeals; prescribing crimes and offenses and penalties therefor; providing for the application of general laws in the administration and enforcement of this act; conferring powers and imposing duties upon the Department of Revenue, public officers, manufacturers, wholesalers, retailers, operators, corporations, partnerships, associations and individuals and making an appropriation," imposing a tax on premiums paid upon certain insurance policies.

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

Section 1. The act of March 6, 1956 (P.L.1228), known as the "Tax Act of 1963 for Education," is amended by adding a new article to read:

ARTICLE IV-A.
INSURANCE PREMIUM TAX

Section 401-A. Definitions.—For the purposes of this article IV-A. only, the following words, terms and phrases shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

(1) "Insurance policy" means any contract, including any endorsement, rider, binder (written or oral), cover note, certificate or other instrument of insurance attached or relating thereto, without regard to the nature of the form of the same, which provides any of the coverages enumerated in section 202, act of May 17, 1921 (P.L.682), known as "The Insurance Company Law of 1921," except insurance against personal injury, disablement or death resulting from traveling or general accidents, and against disablement resulting from sickness as enumerated in clause (1) of subsection (a) of such section 202.

(2) "Premiums" means direct gross premiums written in this Commonwealth on policies of insurance, including policies issued to self-insurers, whether or not designated as reinsurance contracts, less return premiums thereon and dividends paid or credited to policy holders of such policies, but does not include premiums on contracts between insurers or reinsurers.

(3) "Insurer" means any insurance company, association or exchange which is engaged in writing within this Commonwealth, on a direct basis, insurance policies as defined herein.

(4) "Taxpayer" means any person who pays premiums to an insurer

upon an insurance policy. The term shall not include any insurer except a self-insurer, unless any such insurer has failed to collect the tax imposed by this act.

Section 402-A. Imposition of Tax.—*There is hereby imposed on the premiums paid upon each separate policy of insurance either written within this Commonwealth or on which policy the premiums are paid by a taxpayer who resides or is domiciled within this Commonwealth or which policy is written for a person domiciled or residing within this Commonwealth or which policy is written on property located within this Commonwealth, a tax of six per cent of the premiums received by an insurer on or after the effective date of this act, which tax shall be collected by the insurer from the taxpayer, upon the payment of such premiums, and shall be paid over to the Commonwealth as herein provided.*

Section 403-A. Tax to be Paid by Person Paying Premium.—*It is hereby stated as the legislative intent that the tax imposed hereby shall be paid by the person paying the premium to the insurer. The amount of the tax shall be added to but separately stated from the premium.*

Section 404-A. Definitions.—*The following words, terms and phrases and words, terms and phrases of similar import, when used in articles III., V. and VI. of this act for the purposes of those articles only, shall, in addition to the meaning ascribed to them by section 2 of this act, have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:*

(1) *“Maintaining a place of business in the Commonwealth,” any insurer or any person issuing an insurance policy for a person domiciled or residing within the Commonwealth or on property located within the Commonwealth.*

(2) *“Purchase at retail,” the acquisition of an insurance policy on which premiums are paid.*

(3) *“Purchaser,” any person who has acquired an insurance policy on which premiums are paid.*

(4) *“Sale at retail,” the providing by an insurer of an insurance policy on which premiums are paid.*

(5) *“Tangible personal property,” an insurance policy as defined under this article.*

(6) *“Vendor,” an insurer.*

(7) *“Use,” the payment of a premium on an insurance policy.*

Section 2. This act shall take effect immediately.

The foregoing is a true and correct copy of Act of the General Assembly No. 67.

Office of the Secretary of the Commonwealth

Harrisburg, March 10, 1970

I do certify that the above bill, entitled "An act amending the act of March 6, 1956 (P.L.1228), entitled, as amended, 'An act to provide revenue for purposes of public education by imposing a tax on the sale, use, storage, rental or consumption of personal property and certain services and upon the occupancy of hotel rooms; providing for certain exclusions; providing for licenses, reports and payment of tax, interest and penalties, assessments, collections, liens, reviews and appeals; prescribing crimes and offenses and penalties therefor; providing for the application of general laws in the administration and enforcement of this act; conferring powers and imposing duties upon the Department of Revenue, public officers, manufacturers, wholesalers, retailers, operators, corporations, partnerships, associations and individuals and making an appropriation.' imposing a tax on premiums paid upon certain insurance policies." was presented to the Governor on the twenty-seventh day of February, one thousand nine hundred and seventy, and was not returned within ten days after it had been presented to him, wherefore it has, agreeably to the Constitution of this Commonwealth, become a law in like manner as if he had signed it.



Joseph P. Kelley
Secretary of the Commonwealth.