

Penalty for failure to assess, and report and pay tax.

Exemption from other taxation.

Upon failure to report. Auditor General and State Treasurer may make settlement.

When fiscal year differs from calendar year.

First report when fiscal year is changed.

Extension of time for making return.

General shall add ten per centum as a penalty to the amount of the tax; upon payment of said tax by a corporation, the scrip, bonds, certificates, or other evidences of indebtedness issued by it shall be exempt from all other taxation in the hands of the holders of the same.

In the event of the neglect or refusal of the officers of any such corporation to make the report to the Auditor General, as herein provided, on or before the last day of February in each and every year, or within sixty days of the end of its fiscal year, as hereinafter provided, it shall be the duty of the Auditor General and State Treasurer to estimate a valuation of the scrip, bonds, certificates, and evidences of indebtedness of such defaulting corporation and settle an account for taxes, penalty, and interest thereon, from which settlement there shall be no right of appeal.

If any such private corporation shall certify to the Auditor General that its fiscal year closes, not upon the thirty-first day of December, but upon some other date, and that it reports to the United States Government as of such other date, then such corporation may, in the discretion of the Auditor General, be permitted to make the reports herein provided for within sixty days after such date, and payment as herein provided within sixty days after the date of settlement, subject in all other respects to the provisions of this act.

The first report made under the provisions of this act by any corporation changing its reports from the calendar year to a fiscal year as hereinafter provided, shall cover the period from the last day of the calendar year for which a report was filed to the first day of the fiscal year of such corporation, and the accounting officers shall settle the tax for such intervening period at the proportionate annual rate provided by law.

The Auditor General may, upon request made before the last day of February, and upon proper cause shown, extend the time of filing returns for a period not exceeding sixty days from the last day of February of the year for which the same are required to be filed.

APPROVED—The 4th day of May, A. D. 1927.

JOHN S. FISHER

No. 386
AN ACT

To amend sections twenty and twenty-one of an act, approved the first day of June, one thousand eight hundred and eighty-nine (Pamphlet Laws, four hundred and twenty), entitled "A further supplement to an act, entitled 'An act to provide revenue by taxation,' approved the seventh day of June, Anno Domini one thousand eight hundred and seventy-nine," as amended, exempting corporations of the first class and cooperative agricultural associations not having capital stock and not conducted for profit.

Taxation.

Section 1. Be it enacted, &c., That section twenty of an act, approved the first day of June, one thousand eight

hundred and eighty-nine (Pamphlet Laws, four hundred and twenty), entitled "A further supplement to an act, entitled 'An act to provide revenue by taxation,' approved the seventh day of June, Anno Domini one thousand eight hundred and seventy-nine," which was amended by an act, approved the thirtieth day of April, one thousand nine hundred and twenty-five (Pamphlet Laws, four hundred and eight), entitled "An act to further amend section twenty of the act, approved the first day of June, one thousand eight hundred and eighty-nine (Pamphlet Laws, four hundred and twenty), entitled 'A further supplement to an act, entitled 'An act to provide revenue by taxation,' approved the seventh day of June, Anno Domini one thousand eight hundred and seventy,'" is hereby further amended to read as follows:

Section 20. That hereafter, except in the case of *corporations of the first class and cooperative agricultural associations not having capital stock and not conducted for profit*, banks, savings institutions, title insurance, or trust companies, building and loan associations, and foreign insurance companies, it shall be the duty of the president, vice president, secretary, or treasurer of every corporation having capital stock, every joint-stock association, limited partnership, and every company whatsoever, now or hereafter organized or incorporated by or under any laws of this Commonwealth, and of every corporation, joint-stock association, limited partnership, and company whatsoever, now or hereafter incorporated or organized by or under the law of any other State or Territory of the United States, or by the United States, or by any foreign government, and doing business in and liable to taxation within this Commonwealth, or having capital or property employed or used in this Commonwealth by or in the name of any limited partnership or joint-stock association, company or corporation whatsoever, association or associations, copartnership or copartnerships, person or persons, or in any other manner, to make annually, on or before the last day of February, for the calendar year next preceding, a report in writing to the Auditor General on a form or forms to be prescribed and furnished by him, stating specifically:

First. The amount of its capital stock at the close of the year for which report is made, together with the highest selling price per share, and the average selling price thereof during said year.

Second. Its debt account.

Third. Its income account, together with the disposition of any net income, and its profit and loss statement.

Fourth. Its general balance sheet.

Fifth. Its real estate and tangible personal property, if any, owned and permanently located outside of the Commonwealth, and value of the same; and the value of the property, if any, exempt from taxation.

Sixth. The proportion of its capital stock invested in

Tax on capital stock.

Section 20 of an act of June 1, 1889 (P. L. 420), last amended by act of April 30, 1925 (P. L. 408), further amended.

Officers of certain corporations to make annual report to Auditor General.

When report must be filed.

Contents of report.

and actually and exclusively employed and used in manufacturing within the Commonwealth during the year for which report is made.

Seventh. A valuation and appraisal, in the manner hereinafter provided, of the capital stock of the said corporation, company, joint-stock association, or limited partnership, at its actual value in cash as it existed at the close of the year for which the report is made.

Affidavit of officers.

The affidavit of any two of the following named officers of such corporation, limited partnership, joint-stock association, or company; namely, the president, vice president, secretary or treasurer, shall be attached to said report, and that the statements in the report are true and correct, and that, with fidelity and according to the best of their knowledge and belief, they have estimated, valued, and appraised as shown in said report, the capital stock of the said corporation at its actual value in cash as it existed at the close of the year for which report is made; not less, however, than, first, the average which said stock sold for during the year; and second, not less than the price or value indicated or measured by net earnings or by the amount of profit made and either declared in dividends, expended in betterments, or carried into the surplus or sinking fund; and third, not less than the actual value indicated or measured by consideration of the intrinsic value of its tangible property and assets, and of the value of its good will and franchises and privileges, as indicated by the material results of their exercise, taking also into consideration the amount of its indebtedness.

Determination of actual value of capital stock.

Reports for fiscal year differing from calendar year.

If any corporation, company, joint-stock association, or limited partnership shall certify to the Auditor General that its fiscal year closes, not upon the thirty-first day of December, but upon some other date, and that it reports to the United States Government as of such other date, then such corporation, company, joint-stock association, or limited partnership may, in the discretion of the Auditor General, be permitted to make the returns herein provided for within sixty days after such date, subject in all other respects to the provisions of this act.

Appraisement may be made by Auditor General and State Treasurer.

If the Auditor General and State Treasurer, or either of them, is not satisfied with the appraisement and valuation so made and returned, they are hereby authorized and empowered to make a valuation thereof, based upon facts contained in the report herein required, or upon any information within their possession or that shall come into their possession, and to settle an account on the valuation so made by them for the taxes, penalties, and interest due the Commonwealth thereon, with the right of the corporation, company, joint-stock association, or limited partnership dissatisfied with any settlement so made against it to appeal therefrom in the manner provided by law.

Appeal from settlement.

In the event of the neglect or refusal of the officers of any corporation, company, joint-stock association, or

limited partnership, to make the report and appraisalment to the Auditor General, as hereinbefore provided, on or before the last day of February in each and every year, or within sixty days of the end of its fiscal year, as herein provided, it shall be the duty of the Auditor General and State Treasurer to estimate a valuation of the capital stock of such corporation, joint-stock association, company, or limited partnership, and settle an account for taxes, penalties, and interest thereon, from which settlement there shall be no right of appeal.

Upon neglect or refusal to make report, valuation may be estimated and account settled.

If the said officers of any such corporation, company, joint-stock association, or limited partnership shall neglect or refuse to furnish the Auditor General, on or before the last day of February in each and every year, or within sixty days of the end of its fiscal year, as herein provided, with the report, as aforesaid, it shall be the duty of the accounting officers of the Commonwealth to add ten per centum to the tax of said corporation, company, joint-stock association, or limited partnership, for each and every year for which such report was not so furnished, which percentage shall be settled and collected with the State tax in the usual manner of settling accounts and collecting such taxes.

Upon neglect or refusal to make report, penalty of 10% to be added.

The Auditor General may, upon application made before the last day of February in each and every year or before the end of sixty days after any fiscal year, where permission is given by the Auditor General to file such return as of the fiscal year, and upon proper cause shown, extend the time of filing returns for a period not exceeding sixty days from the last day of February of the year or from the end of sixty days after the fiscal year for which the same are required to be filed.

Time for filing returns may be extended on application.

The first report made under the provisions of this act by any corporation, company, joint-stock association, or limited partnership changing its report from the calendar year to a fiscal year, as hereinbefore provided, shall cover the period from the last day of the calendar year for which a report was filed to the first day of the fiscal year of such corporation, company, joint-stock association, or limited partnership, and the accounting officers shall settle the tax for such intervening period, at the proportionate annual rate provided by law.

First report and settlement when fiscal year differing from calendar year is adopted.

Section 2. That section twenty-one of said act, which was amended by an act, approved the twenty-second day of July, one thousand nine hundred and thirteen (Pamphlet Laws, nine hundred and three), entitled "An act to amend section twenty-one of an act, approved the first day of June, one thousand eight hundred eighty-nine, entitled 'A further supplement of an act, entitled "An act to provide revenue by taxation," approved the seventh day of June, Anno Domini one thousand eight hundred and seventy-nine,' as amended," is hereby further amended to read as follows:

Section 21, as amended by act of July 22, 1913 (P. L. 903), further amended.

Tax of five mills on capital stock.

Payment.

Proviso.

Proviso.

Securities exempt from further tax.

Securities held in trust.

Proviso.

Corporations organized for laundering or manufacturing purposes.

Proviso.

Insurance companies.

Section 21. That every corporation, *other than corporations of the first class and cooperative agricultural associations not having capital stock and not conducted for profit and every joint-stock association, limited partnership, and company whatsoever, from which a report is required under the twentieth section hereof, shall be subject to, and pay into the Treasury of the Commonwealth annually, a tax at the rate of five mills upon each dollar of the actual value of its whole capital stock of all kinds, including common, special, and preferred, as ascertained in the manner prescribed in said twentieth section; and it shall be the duty of the treasurer or other officers having charge of any such corporation, joint-stock, association, or limited partnership, upon which a tax is imposed by this section, to transmit the amount of said tax to the treasury of the Commonwealth within thirty days from the date of the settlement of the account by the Auditor General and the State Treasurer: Provided, That for the purposes of this act, interest in limited partnerships or joint-stock associations shall be deemed to be capital stock, and taxable accordingly: Provided also, That corporations, limited partnerships, and joint-stock associations, liable to tax on capital stock under this section, shall not be required to pay any further tax on the mortgages, bonds, and other securities owned by them and in which the whole body of stockholders or members, as such, have the entire equitable interest in remainder; but corporations, limited partnerships, and joint-stock associations, owning or holding such securities as trustees, executors, administrators, guardians, or in any other manner than for the whole body of stockholders or members thereof as sole equitable owners in remainder, shall return and pay the tax imposed by this act upon all securities so owned or held by them, as in the case of individuals: And provided further, That the provisions of this section shall not apply to the taxation of the capital stock of corporations, limited partnerships, and joint-stock associations, organized for laundering or manufacturing purposes, which is invested in and actually and exclusively employed in, carrying on laundering or manufacturing within the State, excepting companies engaged in the brewing or distilling of spirits or malt liquors, and such as enjoy and exercise the right of eminent domain; but every laundering or manufacturing corporation, limited partnership, or joint-stock association shall pay the State tax of five mills herein provided, upon such proportion of its capital stock, if any, as may be invested in any property or business not strictly incident or appurtenant to its laundering or manufacturing business, in addition to the local taxes assessed upon its property in the district where located; it being the object of this proviso to relieve from State taxation only so much of the capital stock as is invested purely in the laundering or manufacturing plant and business: Provided further, In case of fire and marine insurance companies, the tax im-*

posed by this section shall be at the rate of three mills upon each dollar of the actual value of the whole capital stock: Provided, That nothing in this act shall be so construed as to apply to building and loan associations chartered by the State of Pennsylvania.

Proviso.

Building and loan associations.

APPROVED—The 4th day of May, A. D. 1927.

JOHN S. FISHER

No. 387

AN ACT

Authorizing the Department of Property and Supplies to erect, construct and complete an office building in the Capitol Park, and to grade and terrace the ground in connection therewith; providing for the letting of contracts therefor; and making an appropriation for the payment thereof.

Section 1. Be it enacted, &c., That the Department of Property and Supplies is hereby authorized and empowered to erect, construct, and complete, ready for furnishing, an office building in the Capitol Park, and to provide for the necessary filling, grading, and terracing in connection with said building. Such building shall be erected, constructed, and completed in accordance with the plans and specifications now on file with the State Government, which have heretofore been approved or will hereafter be approved by the Secretary of Property and Supplies.

Department of Property and Supplies.

Office building in Capitol Park.

Section 2. The Secretary of Property and Supplies shall let a contract or contracts therefor to the lowest and best bidder, after advertisement for bids once a week for four successive weeks in at least twelve newspapers published in different parts of the Commonwealth. The Secretary of Property and Supplies shall have power to reject any and all bids, and to readvertise for bids in like manner as above provided. Before any contract is entered into the Secretary of Property and Supplies shall require from the contractor a bond to the Commonwealth in such sum as the Secretary shall deem sufficient, conditioned for the faithful performance of the terms of the contract. The contract and bond shall be approved by the Attorney General.

Letting of contract.

Bond.

Section 3. As the work on the erection and construction of such office building advances, the secretary may, from time to time, make payments to the contractor on account of such contract. At no time, however, prior to the completion and acceptance of said building shall the total payments on account to the contractor exceed ninety per centum (90%) of the total cost of work done thereon.

Payments to contractor.

Section 4. Payments on account of such contract shall be made by warrant drawn by the Secretary of Property and Supplies on the Auditor General and payment thereof made as other warrants are paid.

Payment to be by warrant.