

No. 143

AN ACT

To amend the act, approved the ninth day of April, one thousand nine hundred and twenty-nine (Pamphlet Laws, three hundred forty-three), entitled "An act relating to the finances of the State government; providing for the settlement, assessment, collection, and lien of taxes, bonus, and all other accounts due the Commonwealth, the collection and recovery of fees and other money or property due or belonging to the Commonwealth, or any agency thereof, including escheated property and the proceeds of its sale, the custody and disbursement or other disposition of funds and securities belonging to or in the possession of the Commonwealth, and the settlement of claims against the Commonwealth, the resettlement of accounts and appeals to the courts, refunds of moneys erroneously paid to the Commonwealth, auditing the accounts of the Commonwealth and all agencies thereof, of all public officers collecting moneys payable to the Commonwealth, or any agency thereof, and all receipts of appropriations from the Commonwealth and imposing penalties; affecting every department, board, commission, and officer of the State government, every political subdivision of the State, and certain officers of such subdivisions, every person, association, and corporation required to pay, assess, or collect taxes, or to make returns or reports under the laws imposing taxes for State purposes, or to pay license fees or other moneys to the Commonwealth, or any agency thereof, every State depository and every debtor or creditor of the Commonwealth," repealing certain sections; adding new sections; making further provision for the settlement, assessment, collection, lien, and procedure for collection of taxes, bonus, and other moneys due the Commonwealth, and interest on taxes and other moneys due the Commonwealth and State deposits, and for refunds of moneys erroneously paid to the Commonwealth; imposing further penalties; requiring the registry of certain partnerships, associations and corporations; and abolishing certain funds in the State Treasury.

The Fiscal Code,
Sections amended
enumerated.

Act of April 9,
1929 (P. L. 343),
amended.

Section 1. Be it enacted, &c., That sections 203, 208, 209, 210, 212, 302, 303, 304, 401, 503, 505, 506, 601, 702, 713, 714, 716, 729, 805, 806, 901, 905, 1002, 1105, 1202, 1204, 1208, 1209, 1210, 1405, 1408, 1410, 1701, 1702, 1703, 1704, 1719 of the act, approved the ninth day of April, one thousand nine hundred and twenty-nine (Pamphlet Laws, three hundred forty-three), entitled "An act relating to the finances of the State government; providing for the settlement, assessment, collection, and lien of taxes, bonus, and all other accounts due the Commonwealth, the collection and recovery of fees and other money or property due or belonging to the Commonwealth, or any agency thereof, including escheated property and the proceeds of its sale, the custody and disbursement or other disposition of funds and securities belonging to or in the possession of the Commonwealth, and the settlement of claims against the Commonwealth, the resettlement of accounts and appeals to the courts, refunds of moneys erroneously paid to the Commonwealth, auditing the accounts of the

Commonwealth and all agencies thereof, of all public officers collecting moneys payable to the Commonwealth, or any agency thereof, and all receipts of appropriations from the Commonwealth and imposing penalties; affecting every department, board, commission, and officer of the State government, every political subdivision of the State, and certain officers of such subdivisions, every person, association, and corporation required to pay, assess, or collect taxes, or to make returns or reports under the laws imposing taxes for State purposes, or to pay license fees or other moneys to the Commonwealth, or any agency thereof, every State depository and every debtor or creditor of the Commonwealth," be and the same are hereby amended to read as follows:

Section 203. Duties in Connection with the Collection of State Taxes Not Settled by the Department.—The Department of Revenue shall have the power and its duty shall be:

(a) To collect the tax imposed by law upon the sale or use within this Commonwealth of liquid fuels, and, in connection with the collection of such tax, to issue liquid fuel permits or licenses to dealers in or distributors, or consumers of liquid fuels, as provided by law;

(b) To [assess and] collect the tax imposed by law upon the gross premiums, received from business transacted within this Commonwealth, by stock or mutual insurance companies, associations or exchanges of another State or foreign government, authorized to do business in this Commonwealth;

(c) To [assess and] collect the tax imposed by law upon the underwriting profits of insurers, organized, admitted or licensed to transact the business of marine insurance, within this Commonwealth;

(d) To [assess and] collect the tax imposed by law upon insurance or reinsurance premiums from persons, corporations, copartnerships or associations, entering into contracts of insurance or reinsurance with insurance companies or associations of other States or foreign countries not registered or entitled to do business in this Commonwealth;

(e) To [assess and] collect the tax imposed by law upon the gross premiums named in the policies delivered to policyholders and upon all policies procured by every person, copartnership and corporation licensed by the Insurance Department to transact business as an excess insurance broker;

(f) To collect the tax on sales or transfers of stock imposed by the act, approved the fourth day of June, one thousand nine hundred fifteen (Pamphlet Laws, eight hundred twenty-eight), entitled "An act to pro-

vide revenue by imposing a State tax upon sales, or agreements to sell, or memoranda of sales, of stock, and upon deliveries or transfers of shares or certificates of stock in domestic and foreign corporations, copartnership associations and joint-stock associations; providing the manner of collecting such tax; and prescribing penalties," and in connection with such collection, to prescribe the form of books of account, stock certificate books, transfer ledgers or registers, to be kept by persons, corporations, copartnership associations and joint-stock companies, subject to said tax, to cause to be prepared in such form, of such denominations, and in such quantities, as it may deem advisable, and to sell stamps to persons desiring to purchase the same, to make provisions for the sale of stamps in such places and at such times as it may deem necessary, and to be the custodian of all stamps prepared under its direction until the same shall be sold;

(g) To supervise the collection, by the registers of wills, of transfer inheritance taxes, and to exercise the powers and perform the duties hereinafter provided in connection with the collection of such taxes;

(h) To collect the transfer inheritance tax payable on estates of nonresident decedents;

(i) To prepare and cause to be printed, in such form as the department may determine, such blanks, statements, notices, and other forms, as shall be necessary for use by mercantile appraisers in performing the duties imposed upon them by law, and to supervise the work of the mercantile appraisers.

Section 208. Receipt for Moneys Collected.—For all moneys paid to or collected by the Department of Revenue, it shall issue its receipt, except that, where money is paid to the department for the issuance of a license by it, the department shall not be obliged to issue a receipt.

Copies of every receipt issued by the Department of Revenue for corporation taxes shall be furnished to and retained by the Department of the Auditor General [and the Treasury Department.]

[Detailed statements of all moneys received for license fees shall be furnished to the Department of the Auditor General contemporaneously with the transmission of such moneys to the Treasury Department.]

Section 209. Transmission of Moneys.—All moneys received by the Department of Revenue during any day shall be transmitted promptly to the Treasury Department, and the Treasury Department shall forthwith issue its receipt to the Department of Revenue for such moneys, and credit them to the fund and account designated by the Department of Revenue.

Detailed statements of all moneys received shall be

furnished to the Treasury Department and the Department of the Auditor General contemporaneously with the transmission of such moneys to the Treasury Department.

Section 210. Agents of Department of Revenue for the Collection of Money.—The Department of Revenue shall have authority to appoint agents in any place within this Commonwealth for the collection of moneys due the Commonwealth, except taxes and fees now collectible by county officers.

To facilitate the collection of money from persons who are inmates, patients, or pupils of State institutions, or who have business with administrative departments, boards, or commissions, such agents shall be placed in every such institution, including State normal schools and teachers' colleges, and in the offices of such departments, boards, or commissions. It shall be lawful for the Secretary of Revenue to designate any regular employe of any administrative department, board, or commission, with the consent of such department, board, or commission, as the agent of the Department of Revenue for the collection or receipt of money, but no regular employe thus designated by the Secretary of Revenue shall receive any extra compensation for acting as such agent, except with the approval of the Executive Board.

For all moneys collected by its agents, such agents shall issue receipts on behalf of and in the manner prescribed by the Department of Revenue, except that, where money is paid for the issuance of a license or certificate, no receipt shall be issued unless the Department of Revenue so determines.

All agents shall furnish the Department of Revenue with detailed statements of all moneys received, collected, and transmitted, and shall keep records of the amounts owing to or due the Commonwealth and such other records as shall be required by the Department of Revenue. The form of all such statements and records shall be prescribed by the Department of Revenue.

All agents of the Department of Revenue shall be bonded, in such amounts as shall be determined by the Secretary of Revenue with the approval of the Executive Board, and the Secretary of Revenue shall be responsible for the actions of employes of other departments, boards, and commissions, designated by him as agents of the Department of Revenue, to the same extent to which he is responsible for the actions of employes of his own department.

Section 212. Examination of Books, Et Cetera, by Expert Accountants.—For the purpose of investigating the books, accounts, documents, or papers of any person, association or corporation, liable by law to make

report to the Department of Revenue, *or any county officer acting as agent for the Commonwealth*, for the purpose of taxation, the department may employ, from time to time, one or more expert accountants, who shall have power to inspect the same and report thereon, but any such investigation shall be limited to such of the books as bear upon the subject matter of the tax under investigation.

Section 302. Funds.—The moneys paid into the State Treasury, and the moneys of which the State Treasurer is custodian, shall be credited by the Treasury Department to the following funds, as hereinafter provided :

Agricultural College Land Scrip Fund,
 Banking Department Fund,
 [Federal Allotment Forest Protection Fund,]
 [Federal Forest Nursery Fund,]
 [Federal Plant Pest Fund,]
 Federal Rehabilitation Fund,
 Federal Vocational Education Fund,
 Fire Insurance Tax Fund,
 Fish Fund,
 Game Fund,
 General Fund,
 Liquid Fuels Tax Fund,
 Manufacturing Fund,
 [Military Affairs Fund,]
 Motor License Fund,
 School Employes' Retirement Fund,
 [Securities Commission Fund,]
 Sinking Fund,
 [Soldiers' and Sailors' Memorial Bridge Fund,]
 [State Bond Road Fund,]
 State College Experimental Farm Fund,
 State Employes' Retirement Fund,
 State Farm Products Show Fund,
 State Insurance Fund,
 State School Fund,
 State Workmen's Insurance Fund.

1. Agricultural College Land Scrip Fund.—The \$500,000 derived from the sale of lands and scrip, donated to the Commonwealth for the establishment of a college for the benefit of agriculture and the mechanical arts by the act of Congress, approved July second, one thousand eight hundred sixty-two (Chapter one hundred thirty, twelve Statutes, five hundred three), *entitled "An act donating public lands to the several states and territories which may provide colleges for the benefit of agriculture and the mechanic arts,"* or the investments representing the same, shall [continue to] be credited by the Treasury Department to the Agricultural College Land Scrip Fund.

2. Banking Department Fund.—All moneys received

by the Treasury Department from the Department of Revenue, arising from fees, assessments, charges, and penalties, collected or recovered from persons, firms, corporations, or associations, under the supervision of the Department of Banking, and from the sale by the Department of Property and Supplies of unserviceable property originally paid for out of the Banking Department Fund, shall be credited to the Banking Department Fund.

[3. Federal Allotment Forest Protection Fund.—All moneys received by the Treasury Department from the Department of Revenue arising from allotments to the Commonwealth from Federal appropriations for the protection of timbered and forest producing lands from fire, shall be credited to the Federal Allotment Forest Protection Fund.]

[4. Federal Forest Nursery Fund.—All moneys received by the Treasury Department from the Department of Revenue arising from contributions to the Commonwealth from Federal appropriations for the procurement, protection, and distribution of forest-tree seeds and plants, shall be credited to the Federal Forest Nursery Fund.]

[5. Federal Plant Pest Fund.—All moneys received by the Treasury Department from the Department of Revenue arising from the portion of the amount collected or obtained from owners of infected or infested plants, plant products or other materials, for the destruction of such plants or products by State authorities, as represent expenditures by the United States Government in cooperation with the said State authorities, shall be credited to the Federal Plants Pest Fund.]

[6] 3. Federal Rehabilitation Fund.—All moneys received by the Treasury Department from the Department of Revenue arising from annual appropriations from the Federal Government to this Commonwealth for the promotion of vocational rehabilitation of persons disabled in industry or otherwise, and their return to civil employment, shall be credited to the Federal Rehabilitation Fund.

[7] 4. Federal Vocational Education Fund.—All moneys received by the Treasury Department from the Department of Revenue arising from annual appropriations from the Federal Government to this Commonwealth for the advancement of vocational education, shall be credited to the Federal Vocational Education Fund.

[8] 5. Fire Insurance Tax Fund.—All moneys received by the Treasury Department from the Department of Revenue arising from the two per centum tax paid upon premiums received by foreign fire insurance companies from business done within this Common-

wealth, shall be credited to the Fire Insurance Tax Fund.

[9] 6. Fish Fund.—All moneys received by the Treasury Department from the Department of Revenue arising from license fees, fines, penalties, and other moneys paid, received, recovered, and collected, under the fish laws, and from the sale by the Department of Property and Supplies of unserviceable property originally paid for out of the Fish Fund, shall be credited to the Fish Fund.

[10] 7. Game Fund.—All moneys received by the Treasury Department from the Department of Revenue arising from license fees, fines, penalties, and other moneys paid, received, recovered, and collected, under the game laws, and from the sale by the Department of Property and Supplies of unserviceable property originally paid for out of the Game Fund, shall be credited to the Game Fund.

[11] 8. General Fund.—All moneys received by the Treasury Department from the Department of Revenue, or from any other source, which are not by this act required to be credited to any other fund, shall be credited to the General Fund.

[12] 9. Liquid Fuels Tax Fund.—That portion of the liquid fuels tax received by the Treasury Department from the Department of Revenue, which is directed by law to be returned to the counties, shall be credited to the Liquid Fuels Tax Fund.

[13] 10. Manufacturing Fund.—All moneys received by the Treasury Department from the Department of Revenue arising from the [prison] industries established and maintained by the Department of Welfare in [the] State [penal and correctional] institutions, and from the employment of inmates in maintenance activities, and from the sale by the Department of Property and Supplies of unserviceable property originally paid for out of the Manufacturing Fund, shall be credited to the Manufacturing Fund.

[14. Military Affairs Fund.—All moneys received by the Treasury Department through the Department of Revenue from the Federal Government, or any other source, which are to be used by the Department of Military Affairs for its own work, for the Pennsylvania National Guard, or for the improvement and maintenance of Mt. Gretna or any other military post, encampment, or training ground, shall be credited to the Military Affairs Fund.]

[15] 11. Motor License Fund.—All moneys received by the Treasury Department from the Department of Revenue arising from title registration and license fees, fines, penalties, bail forfeited, and other miscellaneous receipts, collected or recovered under the motor laws;

from the collection of any portion of the Liquid Fuels Tax, not directed by law to be returned to the counties; from contributions by the Federal Government and political subdivisions of this Commonwealth for the improvement, maintenance, and rebuilding of highways within this Commonwealth; from the sale of highway bulletins and maps; from the sale by the Department of Property and Supplies of unserviceable State property originally paid for out of the Motor License Fund; *from fees for permits authorizing work on State or township highways and restoration charges, license fees for occupancy of bridges, restoration charges and payments on agreements to which the Commonwealth has succeeded upon taking over county bridges; from amounts received from utility companies covering the cost of constructing facilities over or rentals for the use of bridges; from forfeited checks, fees for certifying records of the Department of Highways, amounts recovered for damage to or loss of equipment of said department, rentals for equipment of said department, liquidated damages on highway contracts; and from tolls collected on intrastate toll bridges, acquired by the Commonwealth, and paid for out of the Motor License Fund,—shall be credited to the Motor License Fund.*

[16] 12. School Employees' Retirement Fund.—All moneys in the School Employees' Contingent Reserve Fund, the School Employees' Annuity Reserve Fund, the School Employees' State Annuity Reserve Fund, and the School Employees' State Annuity Reserve Fund Number Two, shall, upon the effective date of this act, be consolidated into one fund, to be known as the School Employees' Retirement Fund, and thereafter the Treasury Department shall credit to the School Employees' Retirement Fund all moneys received by it from the Department of Revenue, arising from (a) payments by the Commonwealth of such amounts, certified by the School Employees' Retirement Board as necessary to pay the State annuity to each new entrant in the School Employees' Retirement System, (b) deductions from the salaries of contributors in the School Employees' Retirement System, and (c) payments by the Commonwealth of amounts necessary to accumulate a reserve to pay all State annuity payments to present employes when due.

[17. Securities Commission Fund.—All moneys received by the Treasury Department from the Department of Revenue arising from fees, assessments or charges, collected from dealers in securities, or their agents, under the supervision of the Securities Commission, and from the sale by the Department of Property and Supplies of unserviceable property originally

paid for out of the Securities Commission Fund, shall be credited to the Securities Commission Fund.]

[18] 13. Sinking Fund.—All moneys received by the Treasury Department from the Department of Revenue arising from State appropriations to meet State road bond sinking fund requirements, shall be credited to the Sinking Fund. The sum of one hundred forty-one thousand three hundred twenty dollars and twenty-six cents (\$141,320.26), which is necessary for the payment of bonds and obligations of the Commonwealth which have never been presented for redemption, shall continue to be credited to the Sinking Fund.

[19. Soldiers' and Sailors' Memorial Bridge Fund.—All moneys paid into the State Treasury, through the Department of Revenue, by any corporation towards the cost of construction, or for the use of the Soldiers' and Sailors' Memorial Bridge, at Harrisburg, shall be credited to the Soldiers' and Sailors' Memorial Bridge Fund.]

[20. State Bond Road Fund.—All moneys received by the Treasury Department from the Department of Revenue arising from the sale of State bonds for the purpose of improving and rebuilding State highways, and any receipts from other sources by way of reimbursement for moneys expended for the above purposes, shall be credited to the State Bond Road Fund.]

14. State College Experimental Farm Fund.—All moneys derived from the sale of eastern and western experimental farms of State College, which were originally purchased from Federal moneys appropriated by the act of Congress, approved July second, one thousand eight hundred sixty-two (Chapter one hundred thirty, twelve Statutes, five hundred three), entitled "An act donating lands to the several states and territories which may provide colleges for the benefit of agriculture and the mechanic arts," or the investments representing the same, shall be credited to the State College Experimental Farm Fund.

[22] 15. State Employes' Retirement Fund.—All moneys in the State Employes' Contingent Reserve Fund, the State Employes' Annuity Reserve Fund, the State Employes' Annuity Savings Fund, the State Employes' State Annuity Reserve Fund, and the State Employes' State Annuity Reserve Fund Number Two, shall, upon the effective date of this act, be consolidated into one fund to be known as the State Employes' Retirement Fund, and thereafter the Treasury Department shall credit to the State Employes' Retirement Fund all moneys received by it from the Department of Revenue, arising from (a) payments by the Commonwealth of such amounts, certified by the retirement board as necessary to provide a proper reserve to pay

the State annuity to all new members in the State Employes' Retirement System, (b) deductions from the salaries of contributors in the State Employes' Retirement System, and (c) payments by the Commonwealth of amounts necessary to accumulate a reserve to meet the annuity values of all retiring original members in the State Employes' Retirement System.

[23] 16. State Farm Products Show Fund.—All moneys received by the Treasury Department from the Department of Revenue, arising from the leasing or sub-leasing, by the State Farm Products Show Commission, of space to exhibitors, including the departments, boards, and commissions of the State Government, the leasing of the State Farm Show Building for exhibitions, conventions, or other proper purposes, admission and entry fees, and any other moneys received or collected by the Department of Revenue as agent for the State Farm Products Show Commission, shall be credited to the State Farm Products Show Fund.

[24] 17. State Insurance Fund.—All moneys appropriated from the General Fund, or any other fund, to the State Insurance Fund, shall be credited to the State Insurance Fund.

[25] 18. State School Fund.—All moneys received by the Treasury Department from the Department of Revenue, arising from the net receipts and proceeds derived in any way from or on account of the forest reservations, together with all water powers and water rights belonging to this Commonwealth in the streams, rivers, lakes, or other waters of this Commonwealth, from all real estate owned by this Commonwealth which is not used for State or other public purposes, from all escheated estates in this Commonwealth, and from all other property or money which shall in any way accrue to such fund, whether by devise, gift, or otherwise, shall be credited to the State School Fund.

[26] 19. State Workmen's Insurance Fund.—All moneys received by the Treasury Department from the Department of Revenue arising from the collection of premiums on policies issued by the State Workmen's Insurance Board, and from the sale by the Department of Property and Supplies of unserviceable property originally paid for out of the State Workmen's Insurance Fund, shall be credited to the State Workmen's Insurance Fund.

All moneys in the State Treasury, and in the possession of the State Treasurer as custodian, upon the effective date of this act, shall be credited to the funds to which they would be credited if thereafter received, and the Treasury Department shall notify the Department of Revenue and the Department of the Auditor General of the balances in each fund as of such date.

Section 303. Securities.—The Treasury Department shall—

(a) Safely keep all securities delivered to it, or to the State Treasurer as custodian thereof, by any department, board, or commission, under authority of any act of Assembly;

(b) From time to time, collect dividends, interest, or any other income accruing on such securities, and credit the proceeds of such collections to the proper fund;

(c) In proper cases, surrender such securities for redemption, and credit the proceeds thereof to the proper fund;

(d) Upon receipt of written authorization from the department, board, or commission, which deposited them, make delivery of any such securities lawfully sold by such department, board, or commission; and

(e) From time to time, to advise the Department of Revenue, and the departments, boards, or commissions affected, of amounts credited to any funds hereunder.

The Treasury Department is authorized to carry such insurance against the loss of all or any *cash and securities*, of which it or the State Treasurer is custodian, through theft, burglary or otherwise, *and such insurance to cover forgeries of all kinds on checks, drafts, warrants, and requisitions*, as the department [with the approval of the Governor,] shall deem advisable.

Section 304. Interest on Deposits; Rate; Reports.—It shall be the duty of the Treasury Department to collect from all State depositories interest on State deposits. Active [depositories shall pay interest at the rate of two per centum per annum,] and inactive depositories *shall pay interest* at [the] *such* [rate] *rates* [of three per centum] *as shall be prescribed by the Board of Finance and Revenue*, [per annum,] except that, if an active account is opened in an inactive depository by a department other than the Treasury Department, or by a board or commission, the rate of interest thereon may, with the approval of the Board of Finance and Revenue, be reduced to [two per centum per annum.] *that payable by active depositories*. Interest on deposits shall in all cases be credited to the fund upon which the interest was earned, *except that interest on deposits of the Liquid Fuels Tax Fund shall be credited to the Motor License Fund, and interest on deposits of the Fire Insurance Tax Fund shall be credited to the State Insurance Fund*.

Interest payable hereunder shall become due semi-annually, on the thirtieth day of June, and the thirty-first day of December, each year, and it shall be the duty of every bank, banking institution, and trust company, acting as a State depository, to make an interest report, relative to its State deposits, to the Treasury Department, in triplicate, within thirty days after the dates

above set forth. The Treasury Department shall retain one copy of the report, transmit one to the Department of the Auditor General for audit, and the third to the Department of Revenue for its information.

If any bank, banking institution, or trust company shall, *within thirty days after the end of any interest period*, fail to make such report for [any] such period, the Treasury Department shall certify that fact to the Department of Revenue, with such information as shall enable that department to settle and collect the penalty hereinafter in this act provided.

Section 401. Audits of Accounts of Debtors and Agents of the Commonwealth.—The Department of the Auditor General shall have the power, and its duty shall be,

(a) To audit all accounts for taxes, or other moneys due to the Commonwealth, which shall have been settled by the Department of Revenue, to approve the same if found to be correct, and to return them to the Department of Revenue with a request for a resettlement in the event that any error or discrepancy be found in such accounts;

(b) To audit the accounts of city and county officers, in so far as may be necessary to determine whether such officers have reported and transmitted all moneys payable by them to the Commonwealth, *and to furnish the Department of Revenue a report in such detail as shall be sufficient for said department to state and settle an account covering any delinquency;*

(c) To audit the accounts of magistrates, aldermen, justices of the peace, burgesses, mayors, and court clerks, for the purpose of ascertaining whether all fines and penalties collected by them and payable to the Commonwealth, or any agency thereof, have been correctly reported and promptly transmitted, *and to furnish the Department of Revenue a report in such detail as shall be sufficient for said department to state and settle an account covering any delinquency;*

(d) To audit the accounts and records of all agents of the Commonwealth charged with the duty of assessing, appraising, or collecting State taxes or license fees; and

(e) To audit all other accounts between the Commonwealth, acting through any administrative agency thereof, and any person liable to pay money thereto for any purpose or reason whatsoever.

Section 503. Refunds of State Taxes, License Fees, Et Cetera.—The Board of Finance and Revenue shall have the power, and its duty shall be, [to]

(a) To hear and determine any petition for the refund of taxes, license fees, penalties, fines, bonus, or other moneys alleged to have been paid to the Commonwealth as the result of an error of law or of fact, or of both

law and fact, and, upon the allowance of any such petition, to refund such taxes, license fees, penalties, fines, bonus, or other moneys, out of any appropriation or appropriations made for the purpose, or to credit the account of the person, association, corporation, body politic, or public officer entitled to the refund. All such petitions [for refunds shall be in such form as the board shall prescribe, and] must be filed with the board within two years of the payment alleged to have been erroneously made, except

[(a)] (1) When the estate upon which any transfer inheritance tax has been erroneously paid shall have consisted in whole or in part of a partnership, or other interest of uncertain value, or shall have been involved in litigation, by reason whereof there shall have been an overvaluation of that portion of the estate on which the tax has been assessed and paid, which overvaluation could not have been ascertained within said period of two years. In such case, the application for repayment shall be made to the Board of Finance and Revenue, within one year from the termination of such litigation, or ascertainment of such overvaluation.

[(b)] (2) When a court of record has adjudged a person to be legally dead, and thereafter, in the settlement of his or her estate, a transfer inheritance tax shall have been paid on such estate, and, after such payment has been made, such person shall reappear and the court shall rescind its order and adjudication. In such case, the petition to the board shall be filed within six months after the court shall have rescinded its order and adjudication.

[(c)] (3) When any tax or other money has been paid to the Commonwealth, under a provision of an act of Assembly subsequently held by the court of final jurisdiction to be unconstitutional, or under an interpretation of such provision subsequently held by such court to be erroneous. In such case, the petition to the board shall be filed within five years of the payment of which a refund is requested.

(b) *To hear and determine any petition for the remission of penalties imposed and paid for failure to file any tax or bonus report within the time specified by law. If the board be satisfied that the failure to file the report was not wilful, that the report was actually filed within forty-five days after it was due, and that the tax or bonus, exclusive of penalty, was paid to the Commonwealth within the time allowed by law for the payment thereof without interest, it may allow the petition and refund the amount of the penalty, or any part thereof, out of any appropriation or appropriations made for the purpose, or credit the account of the person, association, corporation, body politic, or public of-*

ficer by whom or which the penalty was paid, but no such petition shall be considered unless it be filed within two years after the penalty was paid.

(c) To hear and determine petitions for the remission of penalties imposed but not paid for failure to file any tax or bonus report within the time specified by law. If the board be satisfied that the failure to file the report was not wilful, that the report was actually filed within thirty days after it was due, and that the tax or bonus, exclusive of penalty, was paid to the Commonwealth within thirty days after the date when payment of the tax or bonus became due, it may strike off the penalty, or any part thereof, but no such petition shall be considered unless it be filed within two years after the penalty was imposed.

(d) All petitions filed under this section shall be in such form as the board shall prescribe.

(e) The action of the board on [such] all petitions filed under this section shall be final.

Section 505. State Depositories.—The Board of Finance and Revenue shall have the power, and its duty shall be,

(a) To select and designate, as depositories for the State moneys, banks, banking institutions, or trust companies, which are subject to national or State supervision, and each of which,

1. Has made written application to the State Treasurer for a deposit of State moneys, designating the amount of deposit solicited, and accompanying its application by a written statement showing the amount of its capital actually paid in, the amount of its surplus, the number of its stockholders, and whether its stock is well distributed or largely held by a few individuals, and the length of time that said institution has been engaged in business under its charter. Each such statement shall be verified by the oath or affirmation of the president, cashier, or trust officer, as the case may be, and the State Treasurer shall present the same to the board for its consideration within thirty days after the receipt thereof.

2. Shall, upon the receipt of notice of its selection as a depository of State moneys, furnish a bond to secure payment of deposits and interests to the Commonwealth of Pennsylvania, with a proper warrant of attorney to confess judgment in favor of the Commonwealth, secured by a surety company or individual sureties to be approved by the board, in the amount of the deposit to be made. If a corporate bond be given, no one surety company shall be approved in an aggregate amount in excess of five times its capital, surplus, and reserve, and, whenever individual sureties are presented for approval, they shall qualify in an aggregate over and above their

individual liabilities to three times the amount of the deposit. No one person may qualify for more than one-fourth of the total amount of the bond required: Provided, That, in lieu of the surety bonds of surety companies or of individuals as aforesaid, the deposit of State moneys may be secured by the deposit with the State Treasurer of United States, municipal or county bonds, to be approved by the board, in an amount measured by their actual market value equal to the amount of deposit so secured and twenty per centum in addition thereto. Said bonds shall be accompanied by proper assignment, or power of attorney to transfer the same, and said trust deposit of securities shall be maintained, on request, at the amount aforesaid, in case of any depreciation in the value thereof.

3. Shall [if an active depository,] agree to pay interest upon all State deposits, at the rate [of not less than two per centum per annum, and, if an inactive depository, at the rate of not less than three per centum per annum, except as in this act otherwise provided, and that all] *to be fixed every six months by the Board of Finance and Revenue, having due regard to the then prevailing money market. The said board may fix different rates of interest for active and inactive depositories, and may adopt and promulgate rules governing the time when interest shall begin to run on deposits of uncollected items. The board shall fix the specific day of which any change in interest rate shall become effective, and shall notify, in writing, every depository of such change and the effective date thereof. Pending action by the board the interest rates heretofore fixed by law shall remain in force.* All collections shall be made for the Commonwealth without cost or compensation.

(b) To select, as depositories for State funds, private banking institutions located and doing business in this Commonwealth, if such private banking institutions shall file a statement, in writing, with the board and the Department of Banking, agreeing that they will subject themselves to the same supervision in all respects, including an examination by the bank examiners of the Department of Banking at any time, as banks, banking institutions, or trust companies, which are depositories of State funds, and, if and after, compliance with the conditions required of any other depository.

(c) To designate two banks or trust companies in Dauphin County, two banks or trust companies in Allegheny County, two banks or trust companies in Philadelphia County, and three banks or trust companies in other parts of the Commonwealth, to be known as active depositories, in which shall be deposited a sufficient amount of the daily receipts of the State Treasury to transact the current business of the Commonwealth.

The board may designate two other banks or trust companies, located in any of the counties above mentioned, or in any other county of the Commonwealth, to be known as active depositories, and to be used for the purpose above mentioned.

(d) To see that no bank, banking institution, or trust company, except those designated as active depositories, shall receive a deposit of State moneys in excess of twenty-five per centum of its paid-in capital and surplus, or have, at any one time, an aggregate of deposits in excess of five hundred thousand dollars.

(e) To see that the combined deposits in the active depositories shall not exceed, at any time, [the] *such* total sum [of ten million dollars.] *as it shall, by resolution, have prescribed.*

(f) In case it is of the opinion that the credit of any depository is impaired, the safety of the State deposits imperiled, or, for any other cause whatsoever, to require the State Treasurer to reduce, change, or wholly withdraw, within thirty days, any deposit or deposits held by any such depository of State moneys.

(g) Whenever it is considering applications for State deposits, to invite the Secretary of Banking to sit with and advise the board. The secretary shall, however, not vote on any question coming before the board.

Section 506. State Sinking Fund.—The Board of Finance and Revenue shall have the power, and its duty shall be,

(a) To supervise and direct the State Treasurer in receiving the incomes and revenues payable, in accordance with the existing laws, into the Sinking Fund, and in applying the same, first, to payment of the accruing interest on the public debt, and, second, to the principal thereof, and not otherwise, except to repel invasion, suppress insurrection, or defend the State in war, in accordance with the provisions of the Constitution of the Commonwealth of Pennsylvania.

(b) To see that the State Treasurer, under its supervision and direction, shall open books in his department, keep separate and distinct accounts of all Sinking Fund moneys received and disbursed under this act, specifying the source of revenue, and when paid, and, from time to time, as the funds paid in may justify, apply the same to the payment of the accruing interest on the public debt, and the principal at or before the semiannual payments thereof may become due, and at no time or in no manner shall any portion of the fund hereby created be otherwise applied.

(c) On the first business day of each month, to prepare a statement of the total amount of money in said fund, which, having been verified by oath or affirmation, shall be published in two newspapers, in Harrisburg,

for public information. The board shall also, on the first business day in the months of January, April, July, and October in each and every year hereafter, apply all the moneys in the Sinking Fund, in excess of the amount required to pay the interest on the public debt, to the redemption, [or purchase,] at not above par, of an equivalent amount of the public debt, *or to the purchase of bonds of the Commonwealth at such prices as will be advantageous, taking into consideration the best available return upon the purchase of bonds of the United States at the then market prices.* They may purchase any evidence of the said debt in the open market, if such purchase can be made to advantage. If they shall determine to redeem any part of said debt, they shall forthwith give legal notice of the amount of said debt which they are prepared to redeem, that the said amount will be redeemed on presentation to the designated disbursing agent of the State, and that the interest upon the certificates thereof shall cease from and after an interest due date to be designated by them, which shall not be more than ninety days after the publication of the notice: Provided, That the loans of the Commonwealth shall be redeemed, as far as practicable, in the order of their maturity.

(d) If in the opinion of the board, the purchase or redemption of loans of the Commonwealth cannot be made for the best interests of the Commonwealth, to purchase bonds of the United States at the then market prices. The State Treasurer, under the direction of the board, shall enter, on the "Sinking Fund Ledger," the number, amount, and premium, paid for each United States bond so purchased. The board shall have the right to dispose of bonds purchased hereunder, whenever the money shall be required for the extinguishment of the public debt, or whenever the loans of the Commonwealth can be bought at such prices as they may deem for the best interests of the Commonwealth.

(e) To report and certify to the Governor biennially, for the preceding two calendar years, the amount received under and in accordance with existing laws, the amount of interest paid, the dates of the purchase of the public debt, the prices paid, the place where said sale was effected, the amount of the debt of the Commonwealth redeemed and held by them, and the number and amount of the bonds of the United States purchased and held in the Sinking Fund, and the amount and date of maturity of the respective loans of the Commonwealth, together with a summary statement of the receipts from all sources, and the expenditures of said fund, and a complete statement of the total amount of bonds and moneys remaining in said fund, whereupon

the Governor shall direct the certificates representing the said indebtedness to be cancelled.

(f) Within ten days after the organization of the General Assembly, to report thereto the amount of the public debt so as aforesaid liquidated, the amount then remaining due, and the annual interest thereon, and what increase or modification of the Sinking Fund may be made, and what increase or reduction of taxes may be required or made, in order that the Legislature may provide for such contingencies as may arise.

Section 601. Secretary of the Commonwealth to Collect Bonus from Domestic Corporations.—The Secretary of the Commonwealth shall continue to collect bonus from corporations, limited partnerships, and joint-stock associations, organized under the laws of Pennsylvania, as now provided by law, but all bonus collected shall be transmitted by the Secretary of the Commonwealth to the Treasury Department, through the Department of Revenue, and the official receipt therefor shall be issued by the Department of Revenue.

The Secretary of the Commonwealth shall certify to the Department of Revenue such information, with respect to such bonus, as will enable the Department of Revenue to settle an account for same in the manner now provided by law for the settlement of other bonus and tax accounts.

Section 702. Report on Fiscal Year Basis.—If any corporation or association shall certify to the Department of Revenue 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, the Department of Revenue may permit such corporation or association to make any capital stock or loans tax report or bonus report required to be made by it, or any of its officers, to the Department of Revenue, within [sixty] *seventy-five* days after such date, subject in all other respects to the laws relating to the making of such reports and returns.

The first report made by any corporation or association, changing any return or report from the calendar to the fiscal year basis, shall cover the period from the last day of the calendar year for which a return or report was filed to the first day of the fiscal year, and the Department of Revenue shall settle the tax for such intervening period at the proportionate annual rate provided by law, and also settle the bonus.

Section 713. Reports by Domestic Insurance Companies.—It shall be the duty of the president, secretary, or other proper officer, of each and every insurance company, association, or exchange, incorporated by or under any law of this Commonwealth, except companies doing business upon the mutual plan without any

capital stock, and purely mutual beneficial associations whose funds for the benefit of members, their families, or heirs, are made up entirely of the weekly or monthly contributions of their members and the accumulated interest thereon, to *make* report to the Department of Revenue, on or before the fifteenth day of March in each year, *showing* the entire amount of premiums, premium deposits or assessments received by such company, association, or exchange, during the year ending with the thirty-first day of December preceding, whether the said premiums, premium deposits, or assessments were received in money, or in the form of notes, credits, or any other substitutes for money, and whether the same were collected in this Commonwealth or elsewhere. *In such report, the reporting officer shall assess the tax provided by law upon the gross amount of such premiums, premium deposits and assessments received from business transacted within this Commonwealth during such year; but in making such report to the Department of Revenue and assessment of tax, every such company, association, and exchange may continue to make the deductions heretofore permitted by law in making reports for taxation to the Auditor General.*

Section 714. Reports by Foreign Insurance Companies.—Every stock or mutual insurance company, association, or exchange, of another State or foreign government, authorized to do business in this Commonwealth, shall make report to the Department of Revenue, on or before the fifteenth day of March of each year, showing the gross premiums of every character and description received from business transacted in the Commonwealth during the year ending the thirty-first day of December preceding, whether said premiums were received in money, or in the form of notes, credits, or any other substitute for money, or whether the same were collected in this Commonwealth or elsewhere. [Such] *In making such report, such companies, associations, and exchanges [in making such report] shall assess the tax provided by law upon the gross amount of such premiums, premium deposits and assessments received from business transacted within this Commonwealth during such year, but, in so doing, may deduct from the gross premiums received all premiums returned or policies cancelled or not taken, and all premiums actually paid for reinsurances where the same are effected in companies duly licensed to do business in this Commonwealth; and life insurance companies may deduct dividends declared and actually used by policyholders in payment of renewal premiums; and mutual companies, associations, and exchanges may deduct that proportion of the advance premium or deposit returned to members upon the expiration of their con-*

tracts. For the purposes of this section, "gross premiums" are defined to be the amount of dues, fees, and premiums, stated in the policy contracts.

Section 716. Reports by Excess Insurance Brokers.—Every person, copartnership, and corporation, licensed by the Insurance Department to transact business as an excess insurance broker, shall on or before the thirty-first day of January of each year, make to the Department of Revenue, in the form prescribed by it, a report of the gross premiums named in the policies delivered to the policyholders, and upon all policies procured by such broker during the preceding calendar year, *and shall assess the tax provided by law for such year.*

Section 729. Returns by Vendors of and Dealers in Goods, Wares, and Merchandise, and Auctioneers, Brokers, Agents, and Factors.—Every vendor of or dealer in goods, wares, and merchandise, *keeper of any restaurant, eating house, cafe, or quick lunch business, auctioneer, stock broker, bill broker, note broker, exchange broker, merchandise broker, factor, commission merchant, real estate broker, agent, and pawnbroker, keeper for profit of a shooting gallery, shuffle board room, billiard or pool room, bowling alley, nine or ten pin alley or any alley or place on or in which any game is played with the use of balls and pins or other objects, owner or lessee of any place of amusement, building, tent, or enclosure, including individuals, firms, limited partnerships, and corporations, who or which are now required by law to make returns to or file applications with the mercantile appraisers, on forms or blanks prepared and furnished by the Auditor General, shall, after the effective date of this act, make such returns or file such applications on forms or blanks prepared and furnished by the Department of Revenue. In all other respects, such returns and applications shall be made and filed as now provided by law.*

Section 805. Due Date of Bonus and Taxes.—

(a) The bonus on the actual increase of the capital stock of a domestic corporation or partnership, *and the tax on gross premiums payable by domestic and foreign insurance companies and by excess insurance brokers, shall be due and payable concurrently with the filing of the return showing the amount of such increase or tax.*

(b) The amount of every *other* tax and of every foreign bonus settlement shall become due and payable sixty days after the date of the settlement, unless there shall be a resettlement, in which case the amount of the resettlement shall become due and payable sixty days after the date of the resettlement.

Section 806. Interest on Taxes and Bonus Due the Commonwealth.—(a) In the settlement by the Department of Revenue of all accounts for taxes *and foreign*

bonus due the Commonwealth, it shall charge interest upon the amount [of tax or balance] found due the Commonwealth, at the rate of twelve per centum per annum, [from thirty days after the time said tax or balance becomes due and payable, to the time of the settlement of the same; and all balances due the Commonwealth on accounts settled by the Department of Revenue shall bear interest] from sixty days after the date of settlement [at the rate of twelve per centum per annum,] until the same [are] is paid, except where appeals have been taken from settlements made by the Department of Revenue or by the Board of Finance and Revenue as provided in this act; and any judgments recovered thereon, except where appeals have been taken as aforesaid, shall bear interest at the rate of twelve per centum per annum until paid, *and, where resettlement has been made, the balances, finally found to be due the Commonwealth, shall bear interest at the rate of twelve per centum per annum from sixty days after the date of the first or original settlement.* The payment of interest, as aforesaid, shall not relieve any person, association, or corporation, from any of the penalties or commissions prescribed by law for neglect or refusal to furnish reports to the Department of Revenue, or to pay any claim due to the Commonwealth from such person, association, or corporation: Provided, That the Department of Revenue shall first have sent to such person, association, or corporation, a statement of the amount due.

(b) Interest at the rate of six per centum per annum shall be payable upon any *bonus* due the Commonwealth and settled by the Department of Revenue, from sixty days after the time such *bonus* becomes due.

Section 901. Reports to the Secretary of Revenue.—On the first Monday of each month, it shall be the duty of each city and county officer to render to the Department of Revenue, under oath or affirmation, [a return] *returns* of all moneys received during the preceding month for the use of the Commonwealth, designating, under proper headings, the source from which such moneys were received, and to pay the same into the State Treasury, through the Department of Revenue, less any compensation and reimbursement for expenses allowable by law for having made the collections.

Section 905. Resettlement of Accounts Upon Request of the Auditor General.—It shall be the duty of the Auditor General, promptly upon auditing the accounts and dockets of the several county officers for any period, to [notify] *furnish to* the Department of Revenue *a detailed report* of any errors or discrepancies in the monthly reports of such officers filed with the Department of Revenue for the same period, and thereupon

it shall be the duty of the Department of Revenue to resettle the account of such officer, and credit or charge the officer in accordance with the correct facts. Any such resettlement shall be transmitted to the Department of the Auditor General for audit and approval, as in other cases, and the subsequent procedure shall be the same as in the case of original settlements.

If the Department of Revenue shall fail, within thirty days after notice from the Department of the Auditor General, to resettle the account, the Department of the Auditor General may, within sixty days after the date of its request, file a petition with the Board of Finance and Revenue praying the board to order the Department of Revenue to make such resettlement.

From any resettlement made hereunder, the county officer may, within thirty days after the date of resettlement, file a petition for review, and thereafter appeal as in other cases.

Section 1002. Due Date of Accounts Settled Under Preceding Section and Interest Thereon.—All moneys for which settlements shall have been made under the preceding section of this act, shall be due and payable upon receipt by the debtor of a copy of the settlement, and shall bear interest at the rate of six per centum per annum, unless paid within [three months] *sixty days* after the date of the settlement.

Section 1105. Authorization of Resettlement Upon Petition of the Department Which Made the Settlement.—Within one year after the date of *any* settlement or [date of] resettlement [of any account] *made subsequent to June first, one thousand nine hundred and twenty-nine*, except such as have been appealed from, the department which made the settlement may, by petition, request the Board of Finance and Revenue to authorize a resettlement thereof upon the ground that it appears, from the accounts or other information in the department's possession, that the settlement or resettlement was erroneously or illegally made, and the Board of Finance and Revenue may grant the prayer of such petition and permit a resettlement to be made.

With respect to any settlement or resettlement made prior to June first, one thousand nine hundred and twenty-nine, the department which made it, or the department which has succeeded to its functions, may, at any time prior to June first, one thousand nine hundred and thirty-two, request permission of the Board of Finance and Revenue, under like circumstances, to make a resettlement, and the board may, in its discretion, grant such permission.

[Thereupon] *Whenever a resettlement shall have been authorized hereunder*, the department which made the settlement shall resettle the account according to law,

and shall credit or charge, as the case may be, the amount resulting from such resettlement upon the current accounts of the party with whom or with which it is made.

In the case of settlements made by the Department of Revenue, the resettlement shall be subject to approval by the Department of the Auditor General, as in the case of original settlements, and in case of the failure of the two departments to agree, the resettlement shall be submitted to the Board of Finance and Revenue as in the case of original settlements.

In the case of settlements made jointly by the Department of the Auditor General and by the Treasury Department, either of said departments may request authority to make a resettlement hereunder, and, if such authority be granted, the resettlement shall be made by joint action of said departments as in the case of original settlements.

If a resettlement shall not be authorized hereunder within the time above prescribed, an account, upon which a final discharge has been granted, shall not be opened, but shall be quieted and finally closed.

Section 1202. Procedure for the Collection of Transfer Inheritance Taxes on Transfers from Estates of Nonresident Decedents.—The Department of Revenue shall exercise the following powers and perform the following duties, heretofore exercised and performed by the Auditor General, in connection with the collection of transfer inheritance taxes on transfers from estates of nonresident decedents:

(a) Whenever property within this Commonwealth is transferred from a decedent, who was a nonresident of the Commonwealth at the time of death, the Department of Revenue, whenever occasion may require, on the application of any interested party, or upon its own motion, shall appoint an appraiser to appraise the value of such property if subject to transfer inheritance tax. Every such appraiser shall forthwith give notice by mail, to such persons as the Department of Revenue shall direct, of the time and place when and where he will appraise such property. He shall, at such time and place, make a fair conscionable appraisement of said property, and assess and fix the cash value of all annuities on life-estates growing out of said estates, upon which annuities and life-estates the tax imposed by this act shall be immediately payable out of the estate, and he shall make report thereof and of such value in writing to the Department of Revenue, which report shall be filed in the office of the department, and the department shall immediately give notice thereof by mail to all parties known by it to be interested therein;

(b) Whenever the interests of the Commonwealth

may require, the Department of Revenue is authorized to appoint such additional appraisers, or employ such [expert services] *investigators or experts*, as it may deem best, to [appraise the] *make appraisements of or investigations in regard to the* property of any non-resident decedent subject to transfer inheritance tax. The compensation of all *such* persons so employed by the department [in making such appraisements] shall be fixed by the Secretary of Revenue, with the approval of the Governor, as in other cases;

(c) Any person not satisfied with the appraisement, made by an appraiser appointed by the Department of Revenue, may appeal, within thirty days, to the court of common pleas of Dauphin County, on paying or giving security to pay all costs, together with whatever tax shall be fixed by the court. Upon such appeal, the court may determine all questions of valuation, and the liability of the appraised estate for such tax, subject to the right of appeal to the Supreme or Superior Court;

(d) The Department of Revenue shall enter in a [book, which shall be a] public record the returns made by all appraisers appointed by it to appraise the property of nonresident decedents within this Commonwealth subject to transfer inheritance taxes, opening an account in favor of the Commonwealth against each such decedent's estate. The Department of Revenue may give certificates of payment of said tax, from said record, and, upon payment thereof, shall give a receipt therefor to the party paying the same.

Section 1204. Procedure Relating to Collection of Mercantile License Taxes and Fees Assessable by the Mercantile Appraisers.—The Department of Revenue shall exercise the following powers, and perform the following duties, heretofore exercised and performed by the Auditor General, in connection with the collection of mercantile license taxes, auctioneers', brokers', agents', and factors' license taxes, and all other license taxes and fees which it is the duty of mercantile appraisers to assess;

The Department of Revenue shall have the power, and its duty shall be,

(a) To prepare, cause to be printed, and furnish blanks to be distributed by the mercantile appraisers of the several counties to vendors of and dealers in goods, wares, and merchandise, auctioneers, brokers, agents, and factors, keeper for profit of shooting-galleries, shuffle-board rooms, billiard or pool rooms, bowling alleys, nine or ten pin alleys or any other alleys or places in which similar games are played, owners or lessees of places of amusement, buildings, tents, or enclosures, who or which are now required by law to make

returns to or file applications with the mercantile appraisers;

All such blanks shall be in the form prescribed by the Department of Revenue, shall request such information as may be necessary to assess the license tax or fee for the period to be covered by the return or application, and shall contain an affidavit as to the correctness of the facts stated;

(b) To prepare and furnish to the mercantile appraisers forms of notice to be left by them with vendors of or dealers in goods, wares, and merchandise, brokers, agents, or factors, and other persons assessable for license tax purposes, specifying their respective classifications and the amount of license money due the Commonwealth;

(c) To publish the mercantile appraisers' list of names and classification of each person subject to license in each county having a population of less than one million *five hundred thousand*, in not less than two or more than three newspapers of general circulation in such counties, and, in conjunction with the city treasurer, to direct that such list and classification shall be published in four newspapers in cities of the first class. The respective county treasurers shall pay for all advertising authorized hereunder, at the rates and subject to the limitations now provided by law, and subject to the approval of the bills therefor by the Department of Revenue;

(d) To exonerate any county treasurer from the collection of any amount shown upon the list certified to the department as due the Commonwealth, if it be shown to the satisfaction of the department that the party listed as owing such amount is not subject to the payment thereof according to the true intent and meaning of the act imposing the tax or license fee, or that it is impracticable to collect and recover such amount; and

(e) To investigate and ascertain the character and amount or volume of business transacted by any dealer, vendor, auctioneer, broker, agent, factor, or other person, association, or corporation, required to make a return to or file an application with the mercantile appraiser of any county, if through fraud, accident, [or] mistake, *neglect, or otherwise*, such dealer, vendor, broker, agent, factor, or other person, shall fail to make a full, complete, and accurate return, or the mercantile appraiser shall have failed to make a full, complete, and accurate report with respect thereto. For the purpose of conducting such investigation, the department shall have all the powers conferred upon it for the collection of State taxes in other cases, and all taxes based upon such valuation shall be collectible at any

time, either before or after the expiration of the year for which the tax is to be paid.

Section 1208. Taxes Due by [Foreign Insurance Companies,] Marine Insurance Companies.—[and Excess Insurance Brokers] (a) The tax [on gross premiums received from business transacted within this Commonwealth by stock or mutual insurance companies, associations, or exchanges, of another State, or foreign government, authorized to do business in this Commonwealth, the tax] upon the underwriting profits of insurers organized, admitted, or licensed to transact the business of marine insurance within this Commonwealth [and the tax upon the gross premiums of excess insurance brokers,] shall be assessed by the Department of Revenue, upon the basis of the reports filed by such [foreign insurance companies, associations, or exchanges,] marine insurers, [or excess insurance brokers, respectively,] or, if the department shall have information indicating that such reports are incorrect, then upon such information as the department may have;

(b) The Department of Revenue shall promptly, upon making any assessment hereunder, notify the party assessed of the amount of the tax, and the date upon which the same will be due and payable; and

(c) If any such tax is not paid promptly upon the due date thereof, the Department of Revenue shall proceed to settle an account against the taxpayer, and shall submit the same to the Department of the Auditor General for audit and approval, as in the case of other settlements, and the subsequent procedure shall be the same as in the case of other settlements which it is the duty of the Department of Revenue to make.

Section 1209. Collection of Amounts Payable to State Institutions.—The Department of Revenue shall place its agent in every State institution for the purpose of collecting all moneys due to such institutions from patients, pupils, inmates, or the estates of such patients, pupils, or inmates, or from any political subdivision of this Commonwealth, including school districts, and poor districts, or from the Federal Government, or from any other person, association, corporation, or public agency whatsoever, for care, treatment, instruction, maintenance, or any other expense, chargeable for or on account of such patients, pupils, or inmates.

All bills rendered hereunder shall be in the style, "Commonwealth of Pennsylvania, Department of Revenue, Agent for the Collection of Moneys Owing to (name of institution or its board of trustees)."

All such bills shall be due when rendered, and shall bear interest at the rate of six per centum per annum

from thirty days [unless paid within thirty days] after their date.

*Section 1210. Collections Made by Departments, Boards and Commissions Other Than the Department of Revenue.—All collections of every kind and description, which any department, board, or commission of the State Government is by this act authorized to continue to make, shall be turned over immediately upon the receipt thereof to the agent of the Department of Revenue assigned to or designated in such department, board or commission.

Copies of all bills rendered by every department, board, and commission shall be forwarded to the Department of the Auditor General and to the Department of Revenue, not later than the business day following their date.

Section 1405. Collection of Taxes, Et Cetera, by Department of Justice.—Whenever any taxes, bonus, interest, penalties, and public accounts, are not paid within ninety (90) days:

(1) From the date of settlement, if no petition for resettlement has been filed; or

(2) From the date of resettlement, if no petition for review has been filed; or

(3) From the date of the decision of the Board of Finance and Revenue, upon a petition for review, or the expiration of said board's time for acting upon such petition, if no appeal has been filed; and in all cases of judicial sales, assignments, or bankruptcies, the Department of Revenue shall call upon the Department of Justice to collect the same.

[The Department of Justice may appoint special attorneys for this purpose, and such attorneys are authorized and directed to add to the settlements for taxes, bonus, interest, penalties, and public accounts, and to collect from the corporation, association, or person owing them, for the purpose of compensating such attorneys so employed, a counsel's commission, based on the amount of the collections at the following rates, viz: ten per centum on the first five hundred dollars (\$500), five per centum on the next two thousand dollars (\$2,000), and two and one-half per centum on any amount in excess of two thousand five hundred dollars (\$2,500), which commissions, together with costs, shall be paid by the corporation, association, or person, and shall have the same priority and lien as such taxes, bonus, interest, penalties and public accounts, as hereinbefore provided: Provided, That the

*This section is a reenactment of the original section of the Act of April 9, 1929 (P. L. 343), without change. The proposed amendatory change was eliminated in the passage of the bill.

Department of Justice shall not employ attorneys, as aforesaid, until after it shall first have given ten (10) days' notice in writing of its intention so to do to such corporation, association, or person.]

Section 1408. Attorney's Commission on Amount Recovered.—On all claims for taxes or other demands due the Commonwealth [where appeals have been taken from settlements or resettlements made by the Department of Revenue, or the Board of Finance and Revenue,] collected *after suit brought* by the Department of Justice or any attorney employed by it, *or upon any appeal taken from a settlement or resettlement*, there shall be [paid and recovered] *added to the amount of the claim and recovered from the debtor*, for the use of the Commonwealth, an attorney's commission of five per centum upon the amount of recovery, not exceeding ten thousand dollars (\$10,000); and upon the amount of the recovery in excess of ten thousand dollars (\$10,000), such commission, in case of dispute, as shall be allowed by the court having jurisdiction of the controversy, not exceeding five per centum, in addition to interest at the rate [of six per centum per annum;] *prescribed in this act*: Provided, That the payment of such attorney's commission [or] *and* interest shall not be deemed to affect liability for any penalty payable under existing laws.

However, in any such [appeal] *case*, if the [appeal and specification of objections] *debtor* [admit] *admits* that a part of the claim is due and payable, *and* if the part admitted to be due be paid to the Department of Revenue within twenty-one days after the filing of the appeal *or suit*, the attorney's commission shall not be collected upon the amount so paid.

Section 1410. Compromising Certain Debts.—If any corporation which has heretofore carried on business in this State, and is indebted to the Commonwealth, shall have gone into liquidation, become insolvent, or ceased to carry on business, [and] *or* has no known or available property in this or any other state that may be seized in execution by process issued out of any of the courts of this or any other State, *or if such property as it owns is insufficient to satisfy the taxes or other debts due from it*, the Department of Revenue may, with the approval of the Department of the Auditor General and of the Attorney General, compound or settle any taxes or other debts due by such corporation to the Commonwealth, on such terms as may be adjudged by said officers to be for the best interests of the Commonwealth, *and the lien of the Commonwealth shall be reduced to the amount of taxes or debt as compounded or compromised*.

Section 1701. Failure of Corporation or Partner-

ship to Make Bonus Return Upon Increase of Capital.—If any corporation organized under the laws of this Commonwealth, or any officer thereof, shall neglect or omit to make to the Secretary of the Commonwealth, or any partnership organized under the laws of this Commonwealth, or any officer thereof, shall neglect or omit to make to the Department of Revenue a return of the amount of the increase of the capital stock of such corporation or partnership actually made, as required by this act, such corporation or partnership shall be subject to a penalty of five [thousand] *hundred* dollars in addition to the bonus on such increase, which penalty shall be collected on an account settled by the Department of Revenue, as accounts for taxes due the Commonwealth are settled and collected, unless special reasons be shown satisfactory to the Department of Revenue for the remission of such penalty.

Section 1702. Failure of Corporation, Association, Exchange, or Person to Make Bonus or Tax Reports on Time.—If any corporation, association, exchange, or person, or the officer or officers of any corporation, association, or exchange, shall neglect or refuse to furnish to the Department of Revenue, within the time prescribed by law, or any extension thereof granted by the Department of Revenue, any bonus or tax report required by section seven hundred six, seven hundred seven, seven hundred eight, seven hundred ten, seven hundred thirteen, or seven hundred twenty, of this act, it shall be the duty of the Department of Revenue to add [ten per centum] to the bonus or tax of such corporation, association, exchange, or person, for each and every tax period for which such report was not so furnished, *the following percentages*, which [percentage] shall be collected with the bonus or tax in the usual manner of settling and collecting such bonus or tax:

On the first one thousand dollars of bonus or tax, ten per centum; on the next four thousand dollars, five per centum; and on everything in excess of five thousand dollars, one per centum.

Section 1703. Failure to Make Tax Reports; [for Three Successive Years;] Lien of Penalty.—If any corporation or association doing business in this Commonwealth, of any kind whatsoever, or having filed a statement of location of offices in the office of the Secretary of the Commonwealth, or having registered in the Department of the Auditor General, or in the Department of Revenue, except such corporations or associations as have been by the several acts of Assembly of this Commonwealth specifically exempted from making reports to the Department of the Auditor General, and are or may be exempted from making reports to the Department of Revenue, shall have neglected or refused, or

shall hereafter neglect or refuse, *upon demand of the Department of Revenue*, to make reports to the [Auditor General or the] Department of Revenue, as required by law, *within thirty days after such demand*, [for any three tax years,] such corporation or association shall be liable to a penalty of five hundred dollars (\$500), which shall be settled against such corporation or association by the Department of Revenue, in the same manner as State taxes are settled against corporations or associations: Provided, That the imposition of such penalty shall not be construed to relieve such corporations or associations from liability to any other penalty or penalties now in force by any provision of law.

Section 1704. Intentional Failure of Corporate Officers to Make Reports.—If any officer or officers of any corporation or association shall intentionally have neglected or refused to make reports to the Auditor General, or to the Department of Revenue, or successively to the Auditor General and to the Department of Revenue, as required by law, for any [three] *two* successive tax years, he or they shall be guilty of a misdemeanor, and, on conviction thereof, shall be sentenced to pay a fine of five hundred dollars, and undergo an imprisonment not exceeding one year, [or both] or either, at the discretion of the court.

In any such case, the Department of Revenue shall report the fact to the Governor. If the Governor shall be satisfied that such failure was intentional, he shall by proclamation,

(a) In the case of a corporation or association organized under the laws of Pennsylvania, declare the charter thereof forfeited, and its charter privileges at an end, whereupon the same shall cease, end, and be determined, saving, however, the rights of the creditors and stockholders in and to any property, assets, claims, or demands of or belonging to such corporation or association;

(b) In the case of a corporation or association organized under the laws of any other State, or of the United States, or of any foreign government, and qualified to do business within this Commonwealth, declare forfeited the right of such corporation or association to do business within this Commonwealth, and thereupon such right shall cease, end, and be determined.

Any person or persons who shall (a) exercise or attempt to exercise any powers, privileges, or franchises, under a charter which shall have been declared forfeited hereunder, or (b) do or attempt to do any business within this Commonwealth in the name of, or for, or on account of any corporation or association, whose right to do business within this Commonwealth shall have been declared forfeited hereunder, shall be guilty of a mis-

demeanor, and, on being convicted thereof, shall be fined not less than one hundred dollars, or more than one thousand dollars.

Section 1719. Failure of State Depository to Make Report.—If any bank, banking institution, or trust company, acting as a State depository, shall fail to make to the Treasury Department the report required by section 304 of this act, *within the time prescribed therein*, for any six months' period, it shall be subject to a penalty of ten per centum of the amount of the interest due for such period, which penalty shall be settled and collected by the Department of Revenue as other claims against debtors of the Commonwealth are settled and collected, *and shall be paid into the General Fund of the State Treasury.*

Section 730 added.

Section 2. At the end of article seven of said act, the following new section is hereby added:

Section 730. Registry of Limited Partnerships, Associations and Corporations.—Every limited partnership, bank, joint-stock association, association, insurance company, corporation, or company whatsoever, formed, erected, incorporated, or organized by or under any law of this Commonwealth, general or special, or formed, erected, incorporated, or organized under the laws of any other State and doing business in this Commonwealth, before going into operation, shall register with the Department of Revenue the name of the institution or company, the date of incorporation or organization, the act of Assembly or authority under which formed, incorporated or organized, the place of business, the post office address, the names of the president, chairman, secretary, and treasurer or cashier, the amount of capital authorized by its charter, and the amount of capital paid into its treasury. Every such corporation, company, association, and limited partnership shall annually notify the Department of Revenue of any change in its officers.

Section 809 added.

Section 3. At the end of article eight of said act, the following new section is hereby added:

Section 809. Special Procedure in Connection with the Settlement of Taxes on Domestic Insurance Companies, Foreign Insurance Companies, and Excess Insurance Brokers.—If the Department of Revenue is not satisfied with the assessment of taxes made by any domestic insurance company, foreign insurance company, or excess insurance broker, it is hereby authorized and empowered to make a settlement of such taxes, penalties, and interest due the Commonwealth, based upon the facts contained in the report required of such taxable or upon any information within its possession or which shall come into its possession, subject to the right of the taxpayer to file

a petition for resettlement, review, and appeal as in the case of other tax settlements.

Section 4. At the end of article seventeen of said act, the following new section is hereby added: Section 1722 added.

Section 1722. Failure of Limited Partnerships and Corporations to Register with the Department of Revenue.—Any limited partnership, association, corporation, or company, which shall neglect or refuse to register with the Department of Revenue as required by section 730 of this act, shall be subject to a penalty of five hundred dollars (\$500), which penalty shall be collected on an account settled by the Department of Revenue in the same manner as taxes on capital stock are settled and collected.

Section 5. It is the intention of the General Assembly that if this act cannot take effect in its entirety, because of the judgment of any court of competent jurisdiction holding unconstitutional any part or parts thereof, the remaining provisions of the act shall be given full force and effect as completely as if the part or parts held unconstitutional had not been included herein. Constitutionality.

Section 6. This act shall become effective immediately upon its passage, and approval by the Governor, but the amendment to section eight hundred and six of The Fiscal Code, contained in section one of this act, shall not apply to any settlement made prior to the approval of this act. When effective.
Exception as to section 806.

APPROVED—The 1st day of June, A. D. 1931.

GIFFORD PINCHOT