

No. 312

AN ACT

To further amend the act, approved the ninth day of April, one thousand nine hundred twenty-nine (Pamphlet Laws 343), 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," by changing provisions for the issuance of receipts and for expenses and compensation of escheators and informers; authorizing the Department of Revenue to grant extensions of time for filing tax returns or reports under certain conditions; eliminating interest on certain penalties; reenacting certain provisions relating to tax liens of the Commonwealth; and repealing certain acts.

"The Fiscal Code."

Section 614, act of April 9, 1929, P. L. 343, amended.

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

Section 1. Section 614 of the act, approved the ninth day of April, one thousand nine hundred twenty-nine (Pamphlet Laws 343), 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," is hereby amended to read as follows:

Section 614. Escheators.—Whenever, by information or otherwise, the Department of Revenue shall become aware of the fact that any property, real or personal, has escheated, or is supposed to have escheated, to the Commonwealth, under any act of Assembly, it shall have the power, in its discretion, to appoint, by commission, under the department's seal, some suitable person, resident in the county where the department shall have reason to suppose that the escheated property, or the greater part of it, is situate, to act as escheator of such property.

Every escheator appointed hereunder shall be compensated as follows:

He shall receive fifteen per centum of all moneys paid into the State Treasury from the sales of escheated property, [together with] *if such moneys shall amount to a sum of one hundred thousand dollars (\$100,000) or less; ten per centum on all such moneys in excess of one hundred thousand dollars (\$100,000) and not exceeding two hundred thousand dollars (\$200,000); five per centum on all such moneys in excess of two hundred thousand dollars (\$200,000) and not exceeding three hundred thousand dollars (\$300,000); and two per centum on all such moneys in excess of three hundred thousand dollars.* He shall also receive all expenses incurred by him under the direction, *in writing*, of the Department of Revenue for, in, and about the escheat and the duties imposed upon him by law.

Section 2. Section 704 of the said act, as last amended by the act, approved the seventh day of May, one thousand nine hundred and forty-three (Pamphlet Laws 229), is hereby further amended to read as follows:

Section 704. Extensions of Time.—The Department of Revenue may, upon application made to it in such form as it shall prescribe, on or prior to the last day for filing any tax report, tax return, or bonus return, grant to the person, association, or corporation, required to file such report or return, an extension of not more than sixty days within which such report or return may be

Section 704, said act, as last amended by act of May 7, 1943, P. L. 229, further amended.

filed without penalty. *The department may, in its discretion, grant such further extensions of time within which the aforesaid tax returns or reports may be filed without penalty, as may be necessary to permit the filing thereof at the same time any taxpayer's corporate net tax report is required to be filed under the Corporate Net Income Tax Act or under any extension of time for the filing of such corporate net income tax report granted under said act to such taxpayer by the department.* The department may also, in its discretion, extend generally, for a period not exceeding fifteen days, the time within which reports or returns may be filed for any tax. The provisions of this section shall not be construed to affect the provisions of any other act authorizing the department to grant extensions of time for filing corporate net income tax reports.

Section 806, said act, as last amended by act of May 15, 1945, P. L. 528, further amended.

Section 3. Section 806 of the said act, as last amended by the act, approved the fifteenth day of May, one thousand nine hundred forty-five (Pamphlet Laws 528), is hereby further amended to read as follows:

Section 806. Interest on Taxes and Bonus Due the Commonwealth.—All tax and bonus due the Commonwealth, as provided by law, shall bear interest at the rate of six per centum per annum from the date they are due and payable until paid: Provided, That in the case of all taxes and bonus which other provisions of this act require taxpayers to compute and pay at the time of filing the report or return, if a settlement is not made within one year after the date upon which the report or return was filed, no interest whatsoever shall be imposed for the period between the end of such one year and sixty days after the date of the approval of the settlement, unless the taxpayer has filed a written waiver permitting interest to run after the end of said one year: *Provided further, That no penalties imposed under sections 1701 and 1702 of this act for failure to file bonus or tax reports on time shall bear any interest whatsoever.* 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.

Whenever the tax or bonus liability of a taxpayer is so affected by any settlement or resettlement as to change the interest liability which has been settled against such taxpayer, such interest liability shall be adjusted by the Department of Revenue and the Department of the Auditor General so as to correspond to the tax or bonus liability as changed, without the necessity for the filing of any petition or request by the taxpayer or by said departments.

Section 4. Section 1302 of the said act is hereby amended by adding, at the end thereof, subsection (i) to read as follows:

Section 1302,
said act,
amended by add-
ing, at end
thereof, a new
subsection (i).

Section 1302. Powers and Duties of Escheators Appointed by the Department of Revenue.—

• • • • •

(i) *The Attorney General shall have the authority to appoint, in writing, and to fix the compensation of, legal counsel to assist the escheator in any case wherein the Attorney General is satisfied that, because of protracted litigation or other valid reason, the escheator is entitled to the assistance of such counsel.*

Section 5. • Section 1304 of the said act is hereby amended to read as follows:

Section 1304,
said act,
amended.

Section 1304. Compensation of Informers.—Except as hereinafter otherwise provided, any person who shall first inform the Department of Revenue, by writing signed by such person in the presence of two subscribing witnesses, that any escheat has occurred by reason of the fact that any person has died intestate, without heirs or known kindred, a widow, or surviving husband, or by reason of any other fact, and who shall procure necessary evidence to substantiate the fact of said escheat, and shall prosecute the right of the Commonwealth to the property escheated with effect, shall be entitled to [one-fourth part of the] *compensation, hereinafter provided, based upon the net proceeds of all property, real, personal or mixed, that has been declared escheated to the Commonwealth in pursuance of such information [, after deducting therefrom]. The net proceeds shall be determined by deducting from the total proceeds all debts and expenses with the payment of which said property is charged, and all proper costs and charges incident to the establishing of such escheat, and the converting of the escheated property into money, including any fees provided by law for the compensation of escheators and attorneys. The compensation to be allowed to the informer shall be twenty-five per centum on the net proceeds, if such net proceeds shall amount to a sum of fifty thousand dollars (\$50,000) or less; fifteen per centum on the net proceeds in excess of fifty thousand dollars (\$50,000) and not exceeding one hundred thousand dollars (\$100,000); ten per centum on the net proceeds in excess of one hundred thousand dollars (\$100,000) and not exceeding two hundred thousand dollars (\$200,000); five per centum on the net proceeds in excess of two hundred thousand dollars (\$200,000) and not exceeding three hundred thousand dollars (\$300,000); and two per centum on the net proceeds in excess of three hundred thousand dollars (\$300,000):* Provided, nevertheless, That, before such

* "The first paragraph of" deleted from original.

[fourth part] *compensation* be paid to such person or his representative, he, she, or they shall give bonds to the Commonwealth, with sufficient security to be approved by the Attorney General, conditioned to refund the same or any part thereof, as may be, if any claimant to the estate upon which such [one-fourth] *compensation* shall become payable, appear within the time limited by law touching said estate, and traverse the finding or adjudication of escheat, and establish the title to the property, real or personal, found to have escheated as aforesaid.

In all cases of dispute, where two or more persons shall claim the reward allowed by this section, in consequence of information given to the Department of Revenue of an escheat, it shall and may be lawful for such person or persons, or either of them, to petition the court having jurisdiction of the escheat proceedings, stating the facts, whereupon the said court may proceed to determine the matter in dispute, and, if the case requires it, may direct an ^{*}issue to be framed between the parties to try their right to the reward aforesaid, which shall be paid according to the final determination of said court, or of said issue, as the case may be.

Compensation shall not be paid to persons informing the Department of Revenue that any lands within this Commonwealth have been alienated to, or purchased by, any incorporated company, in its corporate capacity, or in the name of trustees, or feofees, for its use, without the license of the Commonwealth, or have come into their possession by any manner or device whatever, nor to persons reporting or required to report escheatable property under the following sections of this act.

Section 1401, said act, as last amended by acts of April 25, 1949, P. L. 745, and May 11, 1949, P. L. 1192, reenacted.

Section 6. Section 1401 of the said act, as last amended by the act, approved the twenty-fifth day of April, one thousand nine hundred forty-nine (Pamphlet Laws 745), and the act, approved the eleventh day of May, one thousand nine hundred forty-nine (Pamphlet Laws 1192), is hereby reenacted to read as follows:

Section 1401. Liens of Taxes, Interest, Penalties, and Other Accounts Due to the Commonwealth.—All State taxes imposed under the authority of any law of this Commonwealth, now existing or that may hereafter be enacted, and unpaid bonus, penalties, and all public accounts settled, assessed or determined against any corporation, association, or person, including interest thereupon, shall be a first lien upon the franchises and property, both real and personal, of such corporation, association, or person, from the date of settlement, assessment or determination and whenever the franchises or property of a corporation, association, or person shall be sold at a judicial sale, all taxes, interest, bonus, penalties, and public accounts due the Commonwealth shall first be allowed and paid out of the proceeds of

^{*} "assue" in original.

such sale before any judgment, mortgage, or any other claim or lien against such corporation, association, or person: Provided, however, Where the lien of a ground rent, mortgage, or other lien created by or entered against a predecessor in title to such corporation, association, or person is discharged by a judicial sale, the lien of the Commonwealth shall be transferred from the property sold to the fund realized from the sale, and the purchaser shall take free of the lien of the Commonwealth, notwithstanding that the fund may be insufficient to pay all or any part of the same, and on distribution of the fund, the Commonwealth's lien shall be postponed in payment to said lien or liens created by or entered against such predecessor in title, but shall not be postponed in payment to local taxes or municipal claims: Provided further, That the Department of Revenue, with the approval of the Attorney General and Auditor General, may release from the lien of such taxes, such part or parts of the real property of any corporation, as may be requested by such corporation or owners or lien creditors thereof, upon payment of such proportionate part of the taxes due as the value of the real property released bears to the value of all the real property bound by such lien, except in cases where the value of the real property requested to be released is less than the proportionate share of the taxes due, then upon payment of such portion of the taxes due as may be deemed equitable by the Department of Revenue, with approval of the Attorney General and Auditor General, not exceeding, however, the value of the real property requested to be released, and the department shall furnish the person or corporation paying such tax with a certificate showing the property released, which certificate may be recorded in the office of the recorder of deeds of the county in which the land lies. But the lien of transfer inheritance taxes shall be limited to the property chargeable therewith, and, unless such taxes shall be sued for within five years after they are due, they shall cease to be a lien as against any purchaser of real estate.

Section 7. Section 208 of the said act, as last amended by the act, approved the first day of June, one thousand nine hundred *thirty-one (Pamphlet Laws 318), is hereby **further amended to read as follows:

Section 208, said act, as last amended by act of June 1, 1931, P. L. 318, further amended.

Section 208. Receipt for Moneys Collected.—For all moneys paid to or collected by the Department of Revenue, it shall issue its receipt, *when requested by the person, association or corporation making payment of such moneys*, 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.

* "forty-five" in original.

** "further" omitted in original.

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.

Repeals.

Section 8. Repeals.—The following parts of acts are hereby repealed:

Section 3, act of April 2, 1821, P. L. 208.

Section 3 of the act, approved the second day of April, one thousand eight hundred twenty-one (Pamphlet Laws 208), entitled "A supplement to an act, entitled 'An act to declare and regulate escheats.' "

Section 27, act of May 2, 1889, P. L. 66, as amended by section 5, act of May 11, 1911, P. L. 281.

Section 27 of the act, approved the second day of May, one thousand eight hundred eighty-nine (Pamphlet Laws 66), entitled "An act defining and regulating escheats in cases where property is without a lawful owner, and providing for more convenient proceedings relative to the same," as amended by section 5 of of the act, approved the eleventh day of May, one thousand nine hundred eleven (Pamphlet Laws 281).

Act effective immediately.

Section 9. The provisions of this act shall become effective immediately upon final enactment.

APPROVED—The 19th day of August, A. D. 1953.

JOHN S. FINE

No. 313

AN ACT

Providing for the selection of suitable lands in Delaware County for the erection thereon of a new State mental hospital.

Mental health.

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

Department of Welfare authorized to select lands in Delaware County for erection thereon of a new State mental hospital.

Section 1. The Department of Welfare, with the approval of the Governor, shall select, for acquisition by the Department of Property and Supplies, in the name of the Commonwealth, suitable lands in Delaware County for the erection thereon of a new State mental hospital. Such lands shall provide ample water supply and be capable of adequate sewerage and drainage, and the acreage obtained shall be sufficient for the most productive agricultural employment of the inmates.

Making arrangements for such hospital with General State Authority authorized.

The Department of Welfare may, with the approval of the Governor, arrange for the acquisition of the lands or the construction of the hospital by the General State Authority, or both acquisition and construction may, with the approval of the Governor, be arranged for with the General State Authority.

APPROVED—The 19th day of August, A. D. 1953.

JOHN S. FINE