

No. 588

AN ACT

Amending the act of May twenty-three, one thousand nine hundred forty-nine (Pamphlet Laws 1669), entitled, as amended, "An act to provide revenue for school districts of the first class by imposing a tax on persons engaging in certain businesses, professions, occupations, trades, vocations and commercial activities therein; providing for its levy and collection; conferring and imposing powers and duties on the Board of Public Education, receiver of school taxes and school treasurer in such districts; and prescribing penalties," further defining taxable receipts and making such definition applicable to all tax returns and tax payments made after the effective date hereof.

Taxation—
school districts
of the first class.

Clause (5),
section 1, act of
May 23, 1949,
P. L. 1669,
amended August
22, 1953, P. L.
1357, further
amended.

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

Section 1. Clause (5) of section one, act of May twenty-three, one thousand nine hundred forty-nine (Pamphlet Laws 1669), entitled, as amended, "An act to provide revenue for school districts of the first class by imposing a tax on persons engaging in certain businesses, professions, occupations, trades, vocations and commercial activities therein; providing for its levy and collection; conferring and imposing powers and duties on the Board of Public Education, receiver of school taxes and school treasurer in such districts; and prescribing penalties," amended August twenty-two, one thousand nine hundred fifty-three (Pamphlet Laws 1357), is amended to read:

Section 1. Definitions.—The following words and phrases when used in this act shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.

* * * * *

(5) "Receipts." Cash, credits, property of any kind or nature, received in or allocable to a school district of the first class from any business or by reason of any sale made, *including resales of goods, wares or merchandise taken by a dealer as a trade-in or as part payment for other goods, wares or merchandise* or services rendered or commercial or business transaction had within a school district of the first class, without deduction therefrom on account of the cost of property sold, materials used, labor, service, or other cost, interest or discount paid, or any other expense. "Receipts" shall exclude (a) [the dollar volume of annual business covering the resale of] *the amount of any allowances made for goods, wares or merchandise taken by a dealer as a trade-in or as part payment for other goods, wares and merchandise in the usual and ordinary course of his business* [, except to the extent that the resale price exceeds the trade-in allowance]; (b) in the case of a

financial business, the cost of securities and other property sold, exchanged, paid at maturity, or redeemed, and moneys or credits received in repayment of advances, credits and loans, but not to exceed the principal amount of such advances, credits and loans, and shall also exclude deposits, and in the case of building and loan or savings and loan associations, payments received on account of shares purchased by shareholders; (c) in the case of a broker, any commissions paid by him to another broker on account of a purchase or sales contract initiated, executed or cleared in conjunction with such other broker; (d) the receipts or the portion thereof attributable to any sale involving the bona fide delivery of goods, commodities, wares or merchandise of the taxpayer's own manufacture, growth or produce, to a location regularly maintained by the other party to the transaction outside the limits of such school district, and not for the purpose of evading or avoiding payment of the tax or any portion thereof imposed under this act; (e) in the case of a person who at the execution of a contract for the sale in a natural state of the produce of a mine does not have title thereto and does not at any time take possession thereof, the cost to him of the produce of a mine covered by the contract. For the purpose of determining taxable receipts from sales made by a manufacturing corporation of goods, commodities, wares and merchandise of its own manufacture through a wholly owned distributing corporation, such sales shall be treated as if made directly by the manufacturing corporation to the vendees of the distributing corporation. For the purpose of determining taxable receipts from sales made by a manufacturing corporation of goods, commodities, wares and merchandise of its own manufacture made through a distributing corporation, such sales shall be treated as if made directly by the manufacturing corporation to the vendees of the distributing corporation, if a majority of the shares of stock of both the manufacturing corporation and the distributing corporation is owned by the same individual, association or corporation. For the purpose of determining receipts from the business of insurance, such receipts shall mean those from premiums received from risks within the school district of the first class, whether by mutual or stock companies, domestic or foreign, without any deductions therefrom for any cost or expense whatsoever. The collector shall determine from such data as he shall require from insurance companies subject to this act, the amount of such receipts, and shall ascertain the amount of the tax in accordance with such determination.

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Act effective
immediately.
Applicability.

Section 2. This act shall take effect immediately, and the provisions thereof shall be applicable in determining the amount of taxable receipts with respect to any tax returns due to be filed hereafter, or any taxes paid or payable hereafter.

APPROVED—The 25th day of May, A. D. 1956.

GEORGE M. LEADER

No. 589

AN ACT

Amending the act of June five, one thousand nine hundred thirty-five (Pamphlet Laws 266), entitled "An act to protect trade-mark owners, distributors, and the public against injuries and uneconomic practices in the distribution of articles of standard quality under a distinguished trade-mark, brand or name," further regulating exceptions to contracts of sale and actions at law for unfair competition.

Sale of trade-
marked articles.

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

Sections 1 and 2,
act of June 5,
1935, P. L. 266,
amended June 12,
1941, P. L. 128,
further amended.

Section 1. Sections one and two, act of June five, one thousand nine hundred thirty-five (Pamphlet Laws 266), entitled "An act to protect trade-mark owners, distributors, and the public against injuries and uneconomic practices in the distribution of articles of standard quality under a distinguished trade-mark, brand or name," amended June twelve, one thousand nine hundred forty-one (Pamphlet Laws 128), are amended to read:

Section 1. Be it enacted, &c., That no contract relating to the sale or resale of a commodity which bears, or the label or content of which bears, or the vending equipment from which said commodity is sold to the consumer bears the trade-mark, brand or the name of the producer or owner of such commodity, and which is in fair and open competition with commodities of the same general class produced by others, shall be deemed in violation of any law of the State of Pennsylvania by reason of any of the following provisions which may be contained in such contract:

(a) That the buyer will not resell such commodity, except at the price stipulated by the vendor.

(b) That the buyer of such commodity require upon his resale of such commodity that the purchaser from him agree that such purchaser will not in turn resell except at the price stipulated by the vendor of the buyer.