

joint-stock company or association, limited partnership, bank or corporation formed, erected, or incorporated by, under, or in pursuance of any law of the United States, or of any state or government other than this Commonwealth; nor shall the provisions of this section apply to personal property held for the use, benefit or advantage of any resident who shall have in each of the ten preceding calendar years given or contributed all of his net income to any corporation organized or operated exclusively for religious, charitable, scientific, literary, or educational purposes.

The value of the equitable interest in any personal property made subject to tax by this section shall be measured by ascertaining the value of the personal property in which such resident has the sole equitable interest, or in case of dividend equitable interests in the same personal property, then by ascertaining such part of the value of the whole of such personal property as represents the equitable interest of such resident therein.

For the purposes of this act, the value of any taxable shares of stock issued by any regulated investment company as defined under the provisions of the Federal Internal Revenue Code of 1948, shall be that part of the current value of such shares, to be determined by multiplying said current value by a fraction, the numerator of which shall be the total value of so much of the personal property owned by the regulated investment company as would be taxable by this act if owned by a resident of Pennsylvania and the denominator of which shall be the total value of all of the personal property owned by the regulated investment company.

Method of valuation of taxable shares of stock issued by regulated investment companies.

Section 2. This act shall take effect immediately.

Act effective immediately.

APPROVED—The 25th day of July, A. D. 1963.

WILLIAM W. SCRANTON

No. 158

AN ACT

Amending the act of June 22, 1935 (P. L. 414), entitled, as amended, "An act to provide revenue for State purposes; imposing taxes upon certain classes of personal property; providing for the assessment, collection, and lien of the same, and the distribution of the proceeds thereof; imposing duties on executors, administrators, registers of wills, recorders of deeds, prothonotaries, and court clerks, and on persons, copartnerships, associations, banks, national banks, trust companies, and other corporations receiving deposits of money, and on certain corporations and limited partnerships; conferring powers and im-

posing duties on certain State officers and departments; imposing penalties; and making an appropriation," excepting therefrom personal property held under a plan established for retirement purposes.

**State Personal
Property Tax
Act.**

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

Section 17, act of June 22, 1935, P. L. 414, reenacted and amended July 11, 1941, P. L. 361, and amended September 21, 1961, P. L. 1574, further amended.

Section 1. Section 17, act of June 22, 1935 (P. L. 414), known as the "State Personal Property Tax Act," reenacted and amended July 11, 1941 (P. L. 361) and amended September 21, 1961 (P. L. 1574), is amended to read:

Scrip, bonds, etc.

Section 17. State Tax on Scrip, Bonds, Et Cetera; Imposition and Rate of Tax.—All scrip, bonds, certificates, and evidence of indebtedness issued, and all scrip, bonds, certificates, and evidences of indebtedness assumed, or on which interest shall be paid by any and every private corporation, incorporated or created under the laws of this Commonwealth, or the laws of any other state or of the United States and doing business in this Commonwealth and having a resident corporate treasurer therein, except first class or nonprofit corporations, are hereby made taxable for State purposes at the rate of eight mills on each dollar of the nominal value thereof, during the calendar years one thousand nine hundred thirty-eight, one thousand nine hundred thirty-nine, one thousand nine hundred forty, one thousand nine hundred forty-one, one thousand nine hundred forty-two, and one thousand nine hundred forty-three, on reports filed for the calendar years one thousand nine hundred thirty-eight, one thousand nine hundred thirty-nine, one thousand nine hundred forty, one thousand nine hundred forty-one, one thousand nine hundred forty-two, and one thousand nine hundred forty-three, or for any fiscal year beginning in the calendar years one thousand nine hundred thirty-eight, one thousand nine hundred thirty-nine, one thousand nine hundred forty, one thousand nine hundred forty-one, one thousand nine hundred forty-two, and one thousand nine hundred forty-three, and at the rate of four mills on each dollar of the nominal value thereof during the calendar years one thousand nine hundred forty-four, and every year thereafter on reports filed for the calendar years one thousand nine hundred forty-four, (or for any fiscal year beginning in the calendar year one thousand nine hundred forty-four) and for every year thereafter: Provided, That whenever, under the provisions of this section, any private corporation shall become liable for such taxes upon evidences of indebtedness by it assumed, or on which it shall pay interest, it shall be the duty of such corpora-

Rate.

Where private corporations assume payments.

tion not later than ten (10) days thereafter, to give notice, in writing, to any person who may, at such time, be liable for the payment of any taxes upon such evidences of indebtedness, under the provisions of the third section of this act, that the corporation has assumed such indebtedness, or the payment of the interest thereon, and will deduct and pay the taxes imposed thereon by this section. Such notice shall also be given before the first day of October of each and every subsequent year during which such corporation is liable for the payment of such interest. Where any private corporation shall assume such evidences of indebtedness, or the payment of interest thereon, prior to the first day of October in any year, and shall give notice, as hereinbefore provided, such corporation shall be relieved from the duty of deducting and paying the taxes imposed by this section for the balance of such year; but shall deduct and pay said taxes for the ensuing year, and the person to whom such notice shall be given, shall, for such ensuing year be relieved from the payment of tax, under the provisions of the third section of this act, upon such evidences of indebtedness so assumed, or on which the corporation shall pay interest. Where any private corporation shall assume such evidences of indebtedness or the payment of interest thereon, on or subsequent to the first day of October in any year, and shall give the notice, as hereinbefore provided, such corporation shall be relieved from the duty of deducting and paying the tax upon such evidences of indebtedness by it assumed or on which it shall pay interest for the balance of such year and for the ensuing year, and the person, to whom notice is so given, shall pay the tax for the period for which the corporation is relieved upon such evidences of indebtedness so assumed, or on which the corporation shall pay interest, as provided for in the third section of this act. Neglect or failure on the part of any corporation, upon assuming any evidences of indebtedness or becoming liable for the payment of interest thereon, to give the notice as herein provided and within the time prescribed, shall make such corporation liable for the payment of taxes from the time when such evidences of indebtedness are assumed, or for the entire period for which interest shall be paid. Neglect or failure to give such notice before the first day of October of each and every subsequent year, during which such corporation is liable for the payment of such interest, shall make the corporation liable for such taxes for the year following without any deduction from interest due as hereinbefore provided: Provided, That this section shall not apply to bank notes or notes discounted or negotiated by any bank or banking institution, savings institution or trust company, nor to

Notice.

Where assumed
prior to
October 1.Neglect to give
notice.

Interest-bearing
accounts.

Plans of
employers for
benefit of
employees.

Building and
loan associa-
tion, etc.

Fire com-
panies, etc.

Professional
employees of
school districts.

interest-bearing accounts in any bank, banking institution, savings institution, employes' thrift or savings association, whether operated by employes or the employer, or trust company; nor to any scrip, bonds, certificates or evidences of indebtedness held in any trust forming part of a stock, bonus, pension or profit sharing plan of an employer for the exclusive benefit of his employes, or their beneficiaries, which trust under the latest ruling of the Commissioner of Internal Revenue is exempted from Federal income tax, *nor to any personal property held under the provisions of a plan established by or for an individual or individuals for retirement purposes if such plan meets the requirements for exemption from Federal income tax of income earned on investments held under its provisions*: And provided further, That the provisions of this act shall not apply to building and loan associations or to savings institutions having no capital stock, and if at any time either now or hereafter, any persons, individuals, or bodies corporate have agreed or shall hereafter agree to issue his, their or its securities, bonds or other evidences of indebtedness, clear of and free from the tax on any part thereof, provided for in this act, or in the act, approved the seventeenth day of June, one thousand nine hundred thirteen (Pamphlet Laws five hundred seven), or have agreed or shall hereafter agree to pay the same, nothing herein contained shall be so construed as to relieve or exempt him, it or them, from paying the tax imposed herein on any of such securities, bonds, or other evidences of indebtedness, as may be held, owned by, or owing to, the said savings institution having no capital stock: And provided further, That the provisions of this act shall not apply to fire companies, firemen's relief associations, life insurance companies, casualty or fire insurance corporations having no capital stock, secret and beneficial societies, labor unions and labor union relief associations, and all beneficial organizations paying sick or death benefits, or either or both, from funds received from voluntary contributions or assessments upon members of such associations, societies, or unions: And provided further, That the provisions of this act shall not apply to any corporation incorporated under the laws of this Commonwealth when at least one-half the directors of such corporation are professional employes of any school district or school districts of this Commonwealth and at least one-half of the business activities of such corporation are directly or indirectly with or on behalf of professional employes of any school district or school districts of this Commonwealth: And provided further, That corporations, limited partnerships, and joint-stock associations, liable to tax on capital stock for State purposes, shall not be

required to pay any further tax under this section, on the mortgages, bonds, and other securities owned by them in their own right; but corporations, limited partnerships, and joint-stock associations holding such securities as trustees, executors, administrators, guardians, or in any other manner, except as executor or administrator of the estate of a nonresident decedent, and except as trustee for a resident or nonresident religious, charitable or educational organization, no part of the net earnings of which inures to the benefit of any private stockholder or individual, shall be liable for the tax imposed by this section upon all securities so held by them as in the case of individuals: And provided further, That none of the classes of property made taxable by this section for state purposes shall be taxed or taxable for county, school, or other local purposes: And provided further, That the provisions of this section shall not apply to personal property, of the classes hereinabove enumerated, received or acquired with proceeds of money or property received from any person or persons, copartnership or unincorporated association, or company, nonresident in or not located within this Commonwealth, or from any joint-stock association, limited partnership, bank or corporation formed, created or incorporated by, under, or in pursuance of any law of the United States, or of any state or government other than this Commonwealth, by any person or persons, copartnership or unincorporated association resident in this Commonwealth, company, joint-stock company or association, limited partnership, bank or corporation created or existing under the laws of this Commonwealth or doing business within this Commonwealth as active trustee, agent, attorney-in-fact, or in any other capacity for the use, benefit or advantage of any person or persons, copartnership or unincorporated association, or company nonresident in, or not located within, this Commonwealth, or for the use, benefit or advantage of any joint-stock company or association, limited partnership, bank or corporation formed, created or incorporated by, under, or in pursuance of any law of the United States, or of any state or government other than this Commonwealth; or any such property whatsoever owned, held or possessed by any person or persons, copartnership or unincorporated association resident in this Commonwealth, company, joint-stock company, or association, limited partnership, bank or corporation created and existing under the laws of this Commonwealth or doing business within this Commonwealth in the capacity of executor or administrator of a nonresident decedent, or as trustee, agent or attorney-in-fact for any resident or nonresident religious, charitable, scientific, literary or educational organization, no part

As trustees,
guardians, etc.

Exception.

Local taxation.

Received from
nonresidents, by
trustees as
residents, etc.,
for benefit of
nonresidents.

Property in
hands of resident
as executor or
administrator
of estate of
nonresident
decedent.

Or held by resi-
dent fiduciaries
for benefit of
eleemosynary,
etc., organiza-
tions, resident
or not.

of the net earnings of which inures to the benefit of any private stockholder or individual.

It is the intent of this act that all scrip, bonds, certificates, and evidences of indebtedness, made taxable under this section, are not taxable under the third section of this act, and that only such scrip, bonds, certificates, and evidences of indebtedness, which cannot be made taxable under this section, are to be taxed under the third section of this act.

Act effective immediately.

Section 2. This act shall take effect immediately.

APPROVED—The 25th day of July, A. D. 1963.

WILLIAM W. SCRANTON

No. 159

AN ACT

Amending the act of April 24, 1947 (P. L. 89), entitled "An act relating to the form, execution, revocation, operation, and interpretation of wills; to nuncupative wills; to the appointment of testamentary guardians; to elections to take under or against wills and the procedure in reference thereto," further providing for the payment of inheritance tax.

Wills Act of 1947.

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

Clause 16, section 14, act of April 24, 1947, P. L. 89, added September 15, 1961, P. L. 1343, amended.

Section 1. Clause (16) of section 14, act of April 24, 1947 (P. L. 89), known as the "Wills Act of 1947," added September 15, 1961 (P. L. 1343), is amended to read:

Section 14. Rules of Interpretation.—In the absence of a contrary intent appearing therein, wills shall be construed as to real and personal estate in accordance with the following rules:

* * * * *

(16) Inheritance Tax. The inheritance tax imposed by the Inheritance and Estate Tax Act of 1961 upon the transfer of real or personal property [, passing] *which passes by will absolutely and in fee, and which is not part of the residuary estate*, shall be paid out of [property forming a part of] the residuary estate *and charged in the same manner as a general administration expense*. Such inheritance tax imposed upon the transfer of any estate, income or interest for a term of years, for life or for other limited period, shall be paid out of the principal of the property by which the estate income or interest is supported.

APPROVED—The 25th day of July, A. D. 1963.

WILLIAM W. SCRANTON