

No. 179

AN ACT

HB 1414

Amending the act of June 22, 1964 (P.L.16), entitled "An act imposing a State excise tax on net earnings or income of mutual thrift institutions; requiring the filing of reports and payment of the tax; providing certain exemptions from the tax and repealing part of an act imposing other taxes," increasing the tentative and annual rate of tax, changing the manner in which the tentative and the annual tax are to be paid and providing a penalty in certain cases.

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

Section 1. Subsection (b) of section 3, act of June 22, 1964 (P.L.16), known as "The Mutual Thrift Institutions Tax Act," amended December 29, 1967 (P.L.913), is amended to read:

Section 3. Imposition Report and Payment of Tax and Exemptions.—
* * *

(b) From and after the passage of this act, every mutual thrift institution shall annually, upon the fifteenth day of April of each year beginning in the year 1965, make a report to the Department of Revenue, setting forth the entire amount of net earnings or income received or accrued by said mutual thrift institution from all sources during the preceding year, and such other information as the department may require, and upon such net earnings or income the said mutual thrift institution shall pay into the State Treasury, through the Department of Revenue, for the use of the Commonwealth, within the time prescribed by this act for making such annual report, a State excise tax at the rate of six per cent (6%) for the years 1964, 1965 and 1966, and at the rate of seven and one-half per cent (7 1/2%) for the year 1967 and *the year 1968, and at the rate of eleven and one-half per cent (11 1/2%) for the year 1969 and* thereafter, upon such annual net earnings or income, for the privilege of doing business in the Commonwealth. Within one hundred twenty (120) days after the effective date of this act, each such mutual thrift institution shall file a tentative report and pay on account of the tax due upon such net earnings or income received or accrued during 1964, and on or before the thirtieth day of April of 1965, 1966 and 1967, each such mutual thrift institution shall file a tentative report and pay on account of the tax due upon such net earnings or income received or accrued during that year at its election, either (1) not less than four and eight-tenths per cent (4 8/10%) of its net earnings or income last reported as received or accrued during an entire preceding year or of such multiple of the net earnings or income last reported for a portion of such year as the entire year bears to the portion of the year for which the net earnings or income had been reported, or (2) not less than nineteen and two-tenths per cent (19 2/10%) of its estimated net earnings or income received or

accrued during the first three months of the current year, and the remaining portion of the tax due upon the net earnings or income received or accrued during each current year shall be paid within the time prescribed by this act for making the annual report for such year; and on or before the thirtieth day of April of 1968, **[and each year thereafter,] and on or before the thirtieth day of April of 1969,** each such mutual thrift institution shall file a tentative report and pay on account of the tax due upon such earnings or income received or accrued during that year at its election, either (1) not less than six per cent (6%) of its net earnings or income last reported as received or accrued during an entire preceding year or of such multiple of the net earnings or income last reported for a portion of such year as the entire year bears to the portion of the year for which the net earnings or income had been reported, or (2) not less than twenty-four per cent (24%) of its estimated net earnings or income received or accrued during the first three months of the current year, and the remaining portion of the tax due upon the net earnings or income received or accrued during each current year shall be paid within the time prescribed by this act for making the annual report for such year; **and on or before the thirtieth day of April, 1970, and each year thereafter, each such mutual thrift institution shall file a tentative report and pay on account of the tax due upon such earnings or income received or accrued during that year not less than eighty per cent (80%) of the amount of said tax, the said amount to be computed by applying the current tax rate to eighty per cent (80%) of the net earnings or income of such institution for the immediate prior year, or of the estimated net earnings or income of such corporation to be received or accrued during the current year. The remaining portion of the tax due shall be paid upon the date the institution's annual report is required herein to be made. Should it subsequently be determined that the amount of the net earnings or income of the institution reported for the immediate prior year or of the estimated net earnings or income stated by such institution and employed in the computation of the tentative tax was understated by ten per cent (10%) or more, there shall be added to the tax determined to be due an additional one per cent (1%) of the amount of said tax for each per cent of such understatement, and said additional tax shall bear interest from the date the tentative tax was due.**

* * *

Section 2. This act shall take effect immediately and shall impose the increased tax rate for the calendar year beginning January 1, 1969, and each year thereafter, but the balance of the amount due based on the increased rate for the year 1969 shall be payable on April 15, 1970.

"mutal" in original.

APPROVED—The 31st day of December, A. D. 1969.

RAYMOND P. SHAFER

The foregoing is a true and correct copy of Act of the General Assembly
No. 179.



Robert R. Kelly
Secretary of the Commonwealth.