

No. 1982-184

AN ACT

HB 1093

Amending the act of June 22, 1964 (P.L.16, No.2), 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," providing for the deduction and carryover of net operating losses in determining net earnings for the tax on mutual thrift institutions.

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

Section 1. Subsection (d) of section 3, act of June 22, 1964 (P.L.16, No.2), known as "The Mutual Thrift Institutions Tax Act," is amended and a subsection is added to read:

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

(d) Net earnings or income *or net operating loss* shall be determined in accordance with generally accepted principles of accounting, either on a cash or accrual or combined cash and accrual basis, depending on the method of bookkeeping employed by each mutual thrift institution, and in computing such net earnings or income *or net operating loss*, amounts credited or paid as dividends or interest to shareholders, holders of accounts or depositors shall be included among the allowable deductions.

(d.1) For the calendar year 1981 and fiscal years beginning in 1981 and thereafter, a net operating loss, as defined under subsection (d), shall be allowed as a deduction and can be carried over to succeeding years pursuant to the following schedule:

<i>Net Operating Loss For Year</i>	<i>Carryover</i>
<i>1981</i>	<i>1 year</i>
<i>1982</i>	<i>2 years</i>
<i>1983 and thereafter</i>	<i>3 years</i>

The net operating loss shall be carried to the earliest of the taxable years to which, under this schedule, such loss may first be carried.

Section 2. This act shall take effect immediately.

APPROVED—The 25th day of June, A. D. 1982.

DICK THORNBURGH