

R. S. 54:18A-1

August 1, 1966

LEGISLATIVE HISTORY OF R.S. 54:18A-1
(Taxation - Insurance Companies)

L. 1945, Chapter 132 - A270
Introduced March 27 by Mr. Reiffin.
Not amended during passage.
No statement on bill.

We could not locate any reports or hearing on this bill.

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ASSEMBLY, No. 270

STATE OF NEW JERSEY

INTRODUCED MARCH 27, 1945

By Mr. REIFFIN

Referred to Committee on Insurance

AN ACT concerning taxation, providing for the taxation of insurance companies, individuals, partnerships and unincorporated associations transacting the business of insurance in this State as insurers, supplementing Title 54 of the Revised Statutes, amending sections 54:4-20, 54:4-22, 54:13-1, 54:13-11, 54:13-15 and 54:17-4 of the Revised Statutes, and repealing sections 17:32-7, 17:32-12, 54:4-21, 54:13-13, 54:13-14, 54:17-1, 54:17-2 and 54:17-3 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State of New*
2 *Jersey:*

1 1. Every stock, mutual and assessment insurance company organized or
2 existing under any general or special law of this State, and every stock,
3 mutual and assessment insurance company organized or existing under the
4 laws of another State or foreign country and transacting business in this
5 State shall pay to the State Tax Commissioner an annual tax, in each cal-
6 endar year on or before the first day of June, in the amount specified in
7 sections two and three of this act.

1 2. The tax specified in section one of this act, except as to life insur-
2 ance companies and except as to marine insurance as described by chapter
3 sixteen of Title 54 of the Revised Statutes, shall be two per centum (2%)
4 upon the taxable premiums collected by such company during the year end-
5 ing December thirty-first next preceding on all business of the company in
6 this State, less the amount of any franchise taxes and taxes on its prop-
7 erty, exclusive of real estate, paid in this State by the company pursuant to
8 any law of this State during the said year. Any taxes paid to the treasurer

9 of any firemen's relief association of this State pursuant to section 54:18-1
10 of the Revised Statutes shall be considered a part of the tax payable under
11 this act.

1 3. The tax specified in section one of this act as to life insurance com-
2 panies, shall be two per centum (2%) upon the taxable premiums collected
3 by the company during the year ending December thirty-first next preceding
4 under all policies or contracts of insurance on residents of this State and
5 one per centum (1%) upon the taxable considerations collected by the com-
6 pany during the said year under annuity contracts on residents of this State,
7 less the amount of any franchise taxes and taxes on its property, exclusive
8 of real estate, paid in this State by the company pursuant to any law of
9 this State during the said year; *provided, however*, that no such deduction
10 on account of any such franchise or property taxes so paid shall be made
11 from the tax payable pursuant to this section in the calendar year one
12 thousand nine hundred and forty-five; *and provided further*, that such de-
13 duction from the tax payable pursuant to this section in the calendar year
14 one thousand nine hundred and forty-six shall be ten per centum (10%)
15 of the amount of such franchise and property taxes so paid during the year
16 one thousand nine hundred and forty-five; such deduction from the tax pay-
17 able pursuant to this section in the calendar year one thousand nine hun-
18 dred and forty-seven shall be thirty per centum (30%) of such franchise
19 and property taxes so paid during the year one thousand nine hundred
20 and forty-six; and such deduction from the tax payable pursuant to this
21 section in the calendar year one thousand nine hundred and forty-eight
22 shall be sixty per centum (60%) of such franchise and property taxes so
23 paid during the year one thousand nine hundred and forty-seven.

1 4. Subject to the provisions of section six of this act, the taxable pre-
2 miums collected, as specified in section two hereof, shall consist of all gross
3 premiums, policy fees, premium deposits and assessments provided for by
4 the respective policies or contracts and collected by the company, except
5 reinsurance, less the amount of premiums, policy fees, premium deposits

6 and assessments returned to the insured during the year on policies canceled,
7 except reinsurance, and less any so-called dividends or unused or unabsorbed
8 portion of all premiums, policy fees, premium deposits or assessments re-
9 turned or credited to policyholders during the year for which the tax is
10 determined.

1 5. Subject to the provisions of section six of this act, the taxable pre-
2 miums and taxable considerations, as specified in section three of this act,
3 are hereby defined to be gross contract premiums and gross considerations,
4 less the sum of the following:

5 (a) Premiums received for reinsurance assumed and premiums or
6 considerations (but excluding cash surrender values) returned on pol-
7 icies or contracts,

8 (b) Dividends paid in cash, used by policyholders in payment of
9 renewal premiums, or left on deposit with the company, and

10 (c) Discount on premiums paid in advance.

1 6. In the event that the taxable premiums collected by any company,
2 as specified in sections two and three of this act, during any year ending
3 December thirty-first, exceed twelve and one-half per centum ($12\frac{1}{2}\%$) of
4 the total premiums collected by the company during the same year on all
5 policies and contracts of insurance, whenever and wherever issued, the tax-
6 able premiums of such company shall not exceed a sum equal to twelve and
7 one-half per centum ($12\frac{1}{2}\%$) of such total premiums calculated as speci-
8 fied in sections four and five of this act.

1 7. The taxes imposed by this act shall be first payable in the year one
2 thousand nine hundred and forty-five on the basis of taxable premiums and
3 taxable considerations collected during the year ending December thirty-
4 first, one thousand nine hundred and forty-four; *provided, however*, that
5 any taxes paid prior to the effective date of this section under any law of
6 this State in force on the effective date of this section, assessed on the basis
7 of premiums and considerations collected during the year ending December
8 thirty-first, one thousand nine hundred and forty-four, shall be credited
9 against the taxes imposed by section three of this act.

1 8. Every insurance company subject to the provisions of this act shall,
2 on or before the first day of March of each year, make to the Commissioner
3 of Banking and Insurance an annual report, signed and sworn to by an offi-
4 cer of the company, or by its United States manager, if a company of a
5 foreign country, in such form and containing such matters as may be nec-
6 essary for the carrying out of the provisions of this act. The commis-
7 sioner shall annually, on or before the first day of May of each year, ascer-
8 tain and report to the State Tax Commissioner all facts necessary to enable
9 the State Tax Commissioner to ascertain, fix and collect the amount to be
10 paid by each company subject to the tax imposed by this act.

1 9. Section 54:4-20 of the Revised Statutes is amended to read as fol-
2 lows:

3 54:4-20. Associations or corporations of this State whose business is
4 that of the assurance on lives shall be assessed and taxed upon the full
5 amount or value of their property, exclusive of real estate and exclusive
6 of all shares of stocks owned by such life insurance company and exclu-
7 sive of nontaxable property and of property exempt from taxation, de-
8 ducting from such amount or value the amount of their debts and liabili-
9 ties. Such amount or value of property to be assessed and taxed and the
10 amount or value of such debts and liabilities to be deducted there-
11 from shall be as the same are reported in the annual statement of such
12 company for the calendar year next preceding the date of such assessment
13 and filed with the Department of Banking and Insurance of the State of
14 New Jersey. To ascertain such amount a statement of the amount or
15 value of such properties and of such debts and liabilities of the associa-
16 tion or corporation as they existed on the next preceding December thirty-
17 first shall be annually made to the assessor or taxing officer in the taxing
18 district where the principal office of the association or corporation is lo-
19 cated, upon the oath of the president, secretary or treasurer, or other offi-
20 cer of the association or corporation. In stating the liabilities on policies
21 the basis of the statement shall be the value of the policies at the date above

22 mentioned in this section and not the gross amount insured thereby, and
23 the value shall be according to the computation thereof by the Commis-
24 sioner of Banking and Insurance of this State by such standard of valua-
25 tion as may be adopted and used by him at the time the computation shall
26 be made according to law; *provided, however*, the assessment against such
27 property of any life insurance company subject to the provisions of this
28 section, on which the tax payable by such company pursuant to this sec-
29 tion shall be based, shall be not less than seventy per centum (70%) in
30 the year one thousand nine hundred and forty-six, and shall be not less
31 than fifty per centum (50%) in the year one thousand nine hundred and
32 forty-seven, and shall be not less than thirty per centum (30%) in any sub-
33 sequent year of the sum of the paid-up capital and the surplus which rep-
34 resents the excess of the assets over the total of all liabilities of such com-
35 pany, as the same are reported in the annual statement of such company
36 for the calendar year next preceding the date of such assessment, and filed
37 with the Department of Banking and Insurance of the State of New Jersey,
38 after deducting from such total of capital and surplus the asset value of all
39 New Jersey real estate as included in such annual statement. The capital
40 stock in any such company shall not be regarded for the purposes of this
41 act as a liability, and no part of the amount thereof shall be deducted. The
42 real estate of the corporation shall be separately assessed and taxed where
43 it is located, and no tax shall be assessed against the association or corpo-
44 ration on personal property in any other taxing district.

1 10. Section 54:4-22 of the Revised Statutes is amended to read as fol-
2 lows:

3 54:4-22. Every stock insurance company organized under the laws of
4 this State, other than a life insurance company, shall be assessed and taxed
5 in the taxing district where its office is situated, upon the full amount or
6 value of its property (exclusive of real estate and tangible personal prop-
7 erty, which shall be separately assessed and taxed where the same is located,
8 and exclusive of all shares of stock owned by such insurance company and

9 exclusive of nontaxable property and of property exempt from taxation),
10 deducting from such amount or value all debts and liabilities certain and
11 definite as to obligation and amount, and the full amount of all reserves
12 for taxes, and such proportion of the reserves for unearned premiums, losses
13 and other liabilities as the full amount or value of its taxable intangible
14 property bears to the full amount or value of all its intangible property;
15 *provided, however*, the assessment against the intangible personal property
16 of any stock insurance company subject to the provisions of this section
17 shall in no event be less than fifteen per centum (15%) of the sum of the
18 paid-up capital and the surplus in excess of the total of all liabilities of
19 such company, as the same are stated in the annual statement of such com-
20 pany for the calendar year next preceding the date of such assessment and
21 filed with the Department of Banking and Insurance of the State of New
22 Jersey, after deducting from such total of capital and surplus the amount
23 of all tax assessments against any and all real estate, title to which stands
24 in the name of such company.

25 The capital stock in any such company shall not be regarded for the
26 purposes of this act as a liability and no part of the amount thereof shall
27 be deducted, and the person or persons or corporations holding the capital
28 stock of such company shall not be assessed or taxed therefor.

1 11. Section 54:13-1 of the Revised Statutes is amended to read as fol-
2 lows:

3 54:13-1. All domestic corporations shall be subject to an annual license
4 fee or franchise tax as hereinafter in this article provided, except:

5 a. Corporations subject to a tax under the provisions of article two
6 of this chapter, or a tax assessed upon the basis of gross receipts;

7 b. Railway, canal or banking corporations, savings banks, ceme-
8 teries, or religious corporations, or purely charitable or purely educa-
9 tional associations not conducted for profit;

10 c. Corporations subject to a tax under the provisions of chapter
11 seven of the laws of one thousand nine hundred and thirty-eight, or chap-

12 ter eight of the laws of one thousand nine hundred and thirty-eight, or
 13 any statute or law imposing a similar tax or taxes;

14 d. Corporations excepted from tax hereunder by section 54:13-7 of
 15 this Title;

16 e. Stock, mutual and assessment insurance companies.

1 12. Section 54:13-11 of the Revised Statutes is amended to read as fol-
 2 lows:

3 54:13-11. The following companies shall pay an annual tax, for the use
 4 of the State, by way of a license for corporate franchises, as provided by
 5 this article:

6 a. Every telegraph, telephone or cable company not subject to tax
 7 under chapter thirty-one of this Title (§54:31-1 et seq.), and every
 8 express company not owned by a railroad company and otherwise taxed;

9 b. Every palace, parlor or sleeping car company;

10 c. Every dam power company organized under the provisions of
 11 article two of chapter fourteen of the Title, Public Utilities (§48:14-4
 12 et seq.), and every gas company and electric light company, not sub-
 13 ject to tax under said chapter thirty-one;

14 d. Every oil or pipe line company not subject to tax under said
 15 chapter thirty-one.

1 13. Section 54:13-15 of the Revised Statutes is amended to read as fol-
 2 lows:

3 54:13-15. The license fee or franchise tax on each corporation enumer-
 4 ated in paragraphs "a" and "b" of section 54:13-11 of this Title shall be
 5 computed at the rate of two per centum (2%) upon the gross amount of
 6 its receipts returned or ascertained as provided in section 54:13-12 of this
 7 Title.

8 The license fee or franchise tax on each corporation enumerated in
 9 paragraph "c" of said section 54:13-11 shall be computed at the rate of
 10 one-half of one per centum ($\frac{1}{2}$ of 1%) upon the amount of its gross receipts
 11 returned or ascertained as provided in said section 54:13-12, and five per

12 centum (5%) upon the dividends in excess of four per centum (4%) declared
13 or paid by such corporation.

14 The license fee or franchise tax on each oil or pipe line company men-
15 tioned in said section 54:13-11 shall be computed at the rate of eight-tenths
16 of one per centum (8/10 of 1%) upon the gross amount of its receipts
17 returned or ascertained as provided in said section 54:13-12 or upon such
18 proportion of the gross receipts so returned or ascertained as the length
19 of its line in this State bears to the whole length of its line.

1 14. Section 54:17-4 of the Revised Statutes is amended to read as fol-
2 lows:

3 54:17-4. All moneys received by the State Tax Commissioner from
4 insurance companies of other States and countries on account of the tax
5 of two per centum (2%) on premiums for fire insurance, and all payments
6 in lieu of that tax, required by law to be made by such companies, shall be
7 distributed by him as follows:

8 The commissioner shall from time to time in each year, out of the
9 moneys above referred to, pay over to the treasurer of the board of man-
10 agers of the New Jersey firemen's home, such sums as the managers, by
11 resolution approved by the Governor, shall demand and require for the proper
12 conduct of the home.

13 After the demands and requirements of the home upon said moneys in
14 any year have been met and discharged or provided for, the balance thereof
15 remaining in the hands of the commissioner shall be paid to the treasurer
16 of the New Jersey State Firemen's Association or to the treasurer of any
17 local relief association organized and existing under the provisions of chap-
18 ter seventeen of the Title, Pensions and Retirement and Unemployment
19 Compensation (§43:17-1 et seq.), upon the duly authenticated order of the
20 executive committee of the New Jersey State Firemen's Association in such
21 amounts and at such time as may be required.

1 15. Sections 17:32-7, 17:32-12, 54:13-13, 54:13-14, 54:17-1, 54:17-2 and
2 54:17-3 of the Revised Statutes and all acts and parts of acts inconsistent

3 with this act are hereby repealed, and upon the effective date of section nine
4 of this act, section 54:4-21 of the Revised Statutes is hereby repealed.

1 16. This act shall not apply to any fraternal beneficiary society. For
2 the purposes of this act, "insurance company" shall include a corporation,
3 and any person, partnership or unincorporated association required to pro-
4 cure from the Commissioner of Banking and Insurance the certificate pre-
5 scribed by section one of an act entitled "An act to regulate the transaction
6 of the business of insurance by individuals, partnerships and unincorpo-
7 rated associations in this State" approved July eleventh, one thousand
8 nine hundred and thirty-nine (P. L. 1939, c. 188), engaging in any kind
9 or kinds of business specified in section 17:17-1 of the Revised Statutes,
10 subject to the insurance laws of this State; *provided, however,* that no
11 company or society which by its act or certificate of incorporation has for
12 its object the assistance of sick, needy or disabled members, the defraying
13 of funeral expenses of deceased members and the provision for the wants
14 of the widows and families of members after death, shall be deemed an insur-
15 ance company within the purview of this act.

1 17. If any section of this act, or any provision thereof, shall be declared
2 to be unconstitutional, invalid or inoperative, in whole or in part, by a court
3 of competent jurisdiction, such section or provision shall, to the extent that
4 it is not unconstitutional, invalid or inoperative, be enforced and effectuated,
5 and no such determination shall be deemed to invalidate or make ineffectual
6 the remaining sections or provisions.

1 18. This act shall take effect immediately; except section nine which
2 shall take effect July first, one thousand nine hundred and forty-five.

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ASSEMBLY, No. 270

STATE OF NEW JERSEY

INTRODUCED MARCH 27, 1945

By Mr. REIFFIN

Referred to Committee on Insurance

AN ACT concerning taxation, providing for the taxation of insurance companies, individuals, partnerships and unincorporated associations transacting the business of insurance in this State as insurers, supplementing Title 54 of the Revised Statutes, amending sections 54:4-20, 54:4-22, 54:13-1, 54:13-11, 54:13-15 and 54:17-4 of the Revised Statutes, and repealing sections 17:32-7, 17:32-12, 54:4-21, 54:13-13, 54:13-14, 54:17-1, 54:17-2 and 54:17-3 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State of New*
2 *Jersey:*

1 1. Every stock, mutual and assessment insurance company organized or
2 existing under any general or special law of this State, and every stock,
3 mutual and assessment insurance company organized or existing under the
4 laws of another State or foreign country and transacting business in this
5 State shall pay to the Director of the Division of Taxation an annual tax,
6 in each calendar year on or before the first day of June, in the amount speci-
7 fied in sections two and three of this act.

1 2. The tax specified in section one of this act, except as to life insur-
2 ance companies and except as to marine insurance as described by chapter
3 sixteen of Title 54 of the Revised Statutes, shall be two per centum (2%)
4 upon the taxable premiums collected by such company during the year end-
5 ing December thirty-first next preceding on all business of the company in

6 this State, less the amount of any franchise taxes and taxes on its prop-
7 erty, exclusive of taxes on real estate and of taxes payable pursuant to this
8 section, paid in this State by the company pursuant to any law of this State
9 during the said year. Any taxes paid to the treasurer of any firemen's relief
10 association of this State pursuant to section 54:18-1 of the Revised Statutes
11 shall be considered a part of the tax payable under this act.

1 3. The tax specified in section one of this act as to life insurance com-
2 panies, shall be two per centum (2%) upon the taxable premiums collected
3 by the company during the year ending December thirty-first next preceding
4 under all policies or contracts of insurance on residents of this State and
5 one per centum (1%) upon the taxable considerations collected by the com-
6 pany during the said year under annuity contracts on residents of this State,
7 less the amount of any franchise taxes and taxes on its property, exclusive
8 of taxes on real estate and of taxes payable pursuant to this section, paid in
9 this State by the company pursuant to any law of this State during the said
10 year; *provided, however*, that no such deduction on account of any such fran-
11 chise or property taxes so paid shall be made from the tax payable pursuant
12 to this section in the calendar year one thousand nine hundred and forty-five;
13 *and provided further*, that such deduction from the tax payable pursuant to
14 this section in each of the calendar years one thousand nine hundred and forty-
15 six to one thousand nine hundred and fifty-four, inclusive, shall be, respec-
16 tively, twenty per centum (20%) in the year one thousand nine hundred and
17 forty-six, twenty-five per centum (25%) in the year one thousand nine hun-
18 dred and forty-seven, thirty-five per centum (35%) in the year one thou-
19 sand nine hundred and forty-eight, forty per centum (40%) in the year one
20 thousand nine hundred and forty-nine, forty-five per centum (45%) in the
21 year one thousand nine hundred and fifty, fifty per centum (50%) in the year
22 one thousand nine hundred and fifty-one, sixty-five per centum (65%) in the
23 year one thousand nine hundred and fifty-two, seventy-five per centum (75%)
24 in the year one thousand nine hundred and fifty-three, and ninety per centum
25 (90%) in the year one thousand nine hundred and fifty-four of the amount

26 of such franchise and property taxes so paid during each of the respective
27 preceding years one thousand nine hundred and forty-five to one thousand
28 nine hundred and fifty-three, inclusive.

1 4. Subject to the provisions of section six of this act, the taxable pre-
2 miums collected, as specified in section two hereof, shall consist of all gross
3 premiums, policy fees, premium deposits and assessments provided for by
4 the respective policies or contracts and collected by the company, except
5 reinsurance, less the amount of premiums, policy fees, premium deposits
6 and assessments returned to the insured during the year on policies canceled,
7 except reinsurance, and less any so-called dividends or unused or unabsorbed
8 portion of all premiums, policy fees, premium deposits or assessments re-
9 turned or credited to policyholders during the year for which the tax is
10 determined.

1 5. Subject to the provisions of section six of this act, the taxable pre-
2 miums and taxable considerations, as specified in section three of this act,
3 are hereby defined to be gross contract premiums and gross considerations,
4 less the sum of the following:

5 (a) Premiums received for reinsurance assumed and premiums or
6 considerations (but excluding cash surrender values) returned on pol-
7 icies or contracts,

8 (b) Dividends paid in cash, used by policyholders in payment of
9 renewal premiums, or left on deposit with the company, and

10 (c) Discount on premiums paid in advance.

1 6. In the event that the taxable premiums collected by any company,
2 as specified in sections two and three of this act, during any year ending
3 December thirty-first, exceed twelve and one-half per centum ($12\frac{1}{2}\%$) of
4 the total premiums collected by the company during the same year on all
5 policies and contracts of insurance, whenever and wherever issued, the tax-
6 able premiums of such company shall not exceed a sum equal to twelve and
7 one-half per centum ($12\frac{1}{2}\%$) of such total premiums calculated as speci-
8 fied in sections four and five of this act.

1 7. The taxes imposed by this act shall be first payable in the year one
 2 thousand nine hundred and forty-five on the basis of taxable premiums and
 3 taxable considerations collected during the year ending December thirty-
 4 first, one thousand nine hundred and forty-four; *provided, however, that*
 5 any taxes paid prior to the effective date of this section or payable prior to
 6 the effective date of this section and subsequently paid under any law of
 7 this State in force on the effective date of this section, assessed on the basis
 8 of premiums and considerations collected during the year ending December
 9 thirty-first, one thousand nine hundred and forty-four, or on the basis of the
 10 net value of policies in force on December thirty-first, one thousand nine hun-
 11 dred and forty-four, shall be credited against the taxes imposed by section
 12 three of this act.

1 8. Every insurance company subject to the provisions of this act shall,
 2 on or before the first day of March of each year, make to the Commissioner
 3 of Banking and Insurance an annual report, signed and sworn to by an offi-
 4 cer of the company, or by its United States manager, if a company of a
 5 foreign country, in such form and containing such matters as may be nec-
 6 essary for the carrying out of the provisions of this act. The commis-
 7 sioner shall annually, on or before the first day of May of each year, ascer-
 8 tain and report to the Director of the Division of Taxation all facts neces-
 9 sary to enable the Director of the Division of Taxation to ascertain, fix and
 10 collect the amount to be paid by each company subject to the tax imposed
 11 by this act.

1 9. Section 54:4-20 of the Revised Statutes is amended to read as fol-
 2 lows:

3 54:4-20. Associations or corporations of this State whose business is
 4 that of the assurance on lives shall be assessed and taxed upon the full
 5 amount or value of their property, exclusive of real estate and exclusive
 6 of all shares of stocks owned by such life insurance company and exclu-
 7 sive of nontaxable property and of property exempt from taxation, de-
 8 ducting from such amount or value the amount of their debts and liabili-
 9 ties. Such amount or value of property to be assessed and taxed and the

10 amount or value of such debts and liabilities to be deducted there-
11 from shall be as the same are reported in the annual statement of such
12 company for the calendar year next preceding the date of such assessment
13 and filed with the Department of Banking and Insurance of the State of
14 New Jersey. To ascertain such amount a statement of the amount or
15 value of such properties and of such debts and liabilities of the associa-
16 tion or corporation as they existed on the next preceding December thirty-
17 first shall be annually made to the assessor or taxing officer in the taxing
18 district where the principal office of the association or corporation is lo-
19 cated, upon the oath of the president, secretary or treasurer, or other offi-
20 cer of the association or corporation. In stating the liabilities on policies
21 the basis of the statement shall be the value of the policies at the date above
22 mentioned in this section and not the gross amount insured thereby, and
23 the value shall be according to the computation thereof by the Commis-
24 sioner of Banking and Insurance of this State by such standard of valua-
25 tion as may be adopted and used by him at the time the computation shall
26 be made according to law; *provided, however*, the assessment of such prop-
27 erty of any life insurance company subject to the provisions of this sec-
28 tion in the years one thousand nine hundred and forty-five to one thousand
29 nine hundred and fifty-one, inclusive, on which shall be based the tax pay-
30 able pursuant to this section by such company in each of the years one
31 thousand nine hundred and forty-six to one thousand nine hundred and
32 fifty-two, inclusive, respectively, shall be not less than a minimum of ninety
33 per centum (90%) in the year one thousand nine hundred and forty-five,
34 eighty per centum (80%) in the year one thousand nine hundred and forty-
35 six, seventy-five per centum (75%) in the year one thousand nine hundred
36 and forty-seven, seventy per centum (70%) in the year one thousand nine
37 hundred and forty-eight, sixty-five per centum (65%) in the year one thou-
38 sand nine hundred and forty-nine, sixty per centum (60%) in the year one
39 thousand nine hundred and fifty, and fifty per centum (50%) in the year
40 one thousand nine hundred and fifty-one of the net surplus of such com-

41 pany, as herein defined, computed from the annual statement of such com-
42 pany for the calendar year next preceding the date of such assessment;
43 and such assessment in the year one thousand nine hundred and fifty-two
44 and in any subsequent year, on which shall be based the tax payable pur-
45 suant to this section by such company in the year one thousand nine hun-
46 dred and fifty-three and in any subsequent year, respectively, shall be not
47 less than a minimum of fifty per centum (50%) of such net surplus, as
48 herein defined, computed from the annual statement of such company for
49 the calendar year one thousand nine hundred and fifty plus thirty per
50 centum (30%) of the amount by which such net surplus, as herein defined,
51 computed from the annual statement of such company for the respective
52 calendar year next preceding the date of such assessment exceeds the net
53 surplus, as herein defined, computed from said annual statement of such
54 company for the calendar year one thousand nine hundred and fifty, ex-
55 cept that in the event such net surplus, as herein defined, computed from
56 the annual statement of such company for the respective calendar year
57 next preceding the date of such assessment shall not exceed the net sur-
58 plus, as herein defined, computed from said annual statement of such com-
59 pany for the calendar year one thousand nine hundred and fifty, then such
60 minimum assessment herein provided for shall not exceed fifty per centum
61 (50%) of the net surplus, as herein defined, computed from the annual state-
62 ment of such company for the respective calendar year next preceding the
63 date of such assessment. The "net surplus" of such company, for all pur-
64 poses of this section, is hereby defined as the sum of the paid-up capital
65 and the surplus which represents the excess of the assets over the total of
66 all liabilities of such company, as the same are reported in the annual state-
67 ment of such company for any specified calendar year and filed with the
68 Department of Banking and Insurance of the State of New Jersey, after
69 deducting from said sum of the paid-up capital and the surplus the asset
70 value of all New Jersey real estate as included in such annual statement,
71 or the asset value of securities amounting to six hundred thousand dollars

72 (\$600,000.00), whichever is greater. The capital stock in any such company
73 shall not be regarded for the purposes of this act as a liability, and no
74 part of the amount thereof shall be deducted. The real estate of the cor-
75 poration shall be separately assessed and taxed where it is located, and no
76 tax shall be assessed against the association or corporation on personal
77 property in any other taxing district.

1 10. Section 54:4-22 of the Revised Statutes is amended to read as fol-
2 lows:

3 54:4-22. Every stock insurance company organized under the laws of
4 this State, other than a life insurance company, shall be assessed and taxed
5 in the taxing district where its office is situated, upon the full amount or
6 value of its property (exclusive of real estate and tangible personal prop-
7 erty, which shall be separately assessed and taxed where the same is located,
8 and exclusive of all shares of stock owned by such insurance company and
9 exclusive of nontaxable property and of property exempt from taxation),
10 deducting from such amount or value all debts and liabilities certain and
11 definite as to obligation and amount, and the full amount of all reserves
12 for taxes, and such proportion of the reserves for unearned premiums, losses
13 and other liabilities as the full amount or value of its taxable intangible
14 property bears to the full amount or value of all its intangible property;
15 *provided, however,* the assessment against the intangible personal property
16 of any stock insurance company subject to the provisions of this section
17 shall in no event be less than fifteen per centum (15%) of the sum of the
18 paid-up capital and the surplus in excess of the total of all liabilities of
19 such company, as the same are stated in the annual statement of such com-
20 pany for the calendar year next preceding the date of such assessment and
21 filed with the Department of Banking and Insurance of the State of New
22 Jersey, after deducting from such total of capital and surplus the amount
23 of all tax assessments against any and all real estate, title to which stands
24 in the name of such company.

25 The capital stock in any such company shall not be regarded for the
26 purposes of this act as a liability and no part of the amount thereof shall
27 be deducted, and the person or persons or corporations holding the capital
28 stock of such company shall not be assessed or taxed therefor.

1 11. Section 54:13-1 of the Revised Statutes is amended to read as fol-
2 lows:

3 54:13-1. All domestic corporations shall be subject to an annual license
4 fee or franchise tax as hereinafter in this article provided, except:

5 a. Corporations subject to a tax under the provisions of article two
6 of this chapter, or a tax assessed upon the basis of gross receipts;

7 b. Railway, canal or banking corporations, savings banks, ceme-
8 teries, or religious corporations, or purely charitable or purely educa-
9 tional associations not conducted for profit;

10 c. Corporations subject to a tax under the provisions of chapter
11 seven of the laws of one thousand nine hundred and thirty-eight, or chap-
12 ter eight of the laws of one thousand nine hundred and thirty-eight, or
13 any statute or law imposing a similar tax or taxes;

14 d. Corporations excepted from tax hereunder by section 54:13-7 of
15 this Title;

16 e. Stock, mutual and assessment insurance companies.

1 12. Section 54:13-11 of the Revised Statutes is amended to read as fol-
2 lows:

3 54:13-11. The following companies shall pay an annual tax, for the use
4 of the State, by way of a license for corporate franchises, as provided by
5 this article:

6 a. Every telegraph, telephone or cable company not subject to tax
7 under chapter thirty-one of this Title (§54:31-1 et seq.), and every
8 express company not owned by a railroad company and otherwise taxed;

9 b. Every palace, parlor or sleeping car company;

10 c. Every dam power company organized under the provisions of
11 article two of chapter fourteen of the Title, Public Utilities (§48:14-4

12 et seq.), and every gas company and electric light company, not sub-
13 ject to tax under said chapter thirty-one;

14 d. Every oil or pipe line company not subject to tax under said
15 chapter thirty-one.

1 13. Section 54:13-15 of the Revised Statutes is amended to read as fol-
2 lows:

3 54:13-15. The license fee or franchise tax on each corporation enumer-
4 ated in paragraphs "a" and "b" of section 54:13-11 of this Title shall be
5 computed at the rate of two per centum (2%) upon the gross amount of
6 its receipts returned or ascertained as provided in section 54:13-12 of this
7 Title.

8 The license fee or franchise tax on each corporation enumerated in
9 paragraph "c" of said section 54:13-11 shall be computed at the rate of
10 one-half of one per centum ($\frac{1}{2}$ of 1%) upon the amount of its gross receipts
11 returned or ascertained as provided in said section 54:13-12, and five per
12 centum (5%) upon the dividends in excess of four per centum (4%) declared
13 or paid by such corporation.

14 The license fee or franchise tax on each oil or pipe line company men-
15 tioned in said section 54:13-11 shall be computed at the rate of eight-tenths
16 of one per centum ($\frac{8}{10}$ of 1%) upon the gross amount of its receipts
17 returned or ascertained as provided in said section 54:13-12 or upon such
18 proportion of the gross receipts so returned or ascertained as the length
19 of its line in this State bears to the whole length of its line.

1 14. Section 54:17-4 of the Revised Statutes is amended to read as fol-
2 lows:

3 54:17-4. All moneys received by the State Tax Commissioner from
4 insurance companies of other States and countries on account of the tax
5 of two per centum (2%) on premiums for fire insurance, and all payments
6 in lieu of that tax, required by law to be made by such companies, shall be
7 distributed by him as follows:

8 The commissioner shall from time to time in each year, out of the
9 moneys above referred to, pay over to the treasurer of the board of man-
10 agers of the New Jersey firemen's home, such sums as the managers, by
11 resolution approved by the Governor, shall demand and require for the proper
12 conduct of the home.

13 After the demands and requirements of the home upon said moneys in
14 any year have been met and discharged or provided for, the balance thereof
15 remaining in the hands of the commissioner shall be paid to the treasurer
16 of the New Jersey State Firemen's Association or to the treasurer of any
17 local relief association organized and existing under the provisions of chap-
18 ter seventeen of the Title, Pensions and Retirement and Unemployment
19 Compensation (§43:17-1 et seq.), upon the duly authenticated order of the
20 executive committee of the New Jersey State Firemen's Association in such
21 amounts and at such time as may be required.

1 15. Sections 17:32-7, 17:32-12, 54:13-13, 54:13-14, 54:17-1, 54:17-2 and
2 54:17-3 of the Revised Statutes and all acts and parts of acts inconsistent
3 with this act are hereby repealed, and upon the effective date of section nine
4 of this act, section 54:4-21 of the Revised Statutes is hereby repealed.

1 16. This act shall not apply to any fraternal beneficiary society. For
2 the purposes of this act, "insurance company" shall include a corporation,
3 and any person, partnership or unincorporated association required as an
4 insurer to procure from the Commissioner of Banking and Insurance the
5 certificate prescribed by section one of an act entitled "An act to regulate
6 the transaction of the business of insurance by individuals, partnerships and
7 unincorporated associations in this State" approved July eleventh, one
8 thousand nine hundred and thirty-nine (P. L. 1939, c. 188), or under any
9 other statute now in force or hereafter enacted, engaging in any kind or
9½ kinds of business specified in section 17:17-1 of the Revised Statutes,
10 subject to the insurance laws of this State; *provided, however,* that no
11 company or society which by its act or certificate of incorporation has for
12 its object the assistance of sick, needy or disabled members, the defraying

13 of funeral expenses of deceased members and the provision for the wants
14 of the widows and families of members after death, shall be deemed an insur-
15 ance company within the purview of this act.

1 17. If any section of this act, or any provision thereof, shall be declared
2 to be unconstitutional, invalid or inoperative, in whole or in part, by a court
3 of competent jurisdiction, such section or provision shall, to the extent that
4 it is not unconstitutional, invalid or inoperative, be enforced and effectuated,
5 and no such determination shall be deemed to invalidate or make ineffectual
6 the remaining sections or provisions.

1 18. This act shall take effect immediately; except section nine which
2 shall take effect July first, one thousand nine hundred and forty-five.