

54:9-5

August 20, 1969

Legislative Notes on R.S. 54:9-5, 6, 9, 11 to 15
(Bank stocks - Taxation of)

54:9-18

Copy 2

Similar bills were:

1969 - 5758

Introduced May 1 by Sears.

Presently in Senate.

No statement.

Listed as "approved" in:

974.905 New Jersey League of Municipalities
L51 Legislative Bulletin. No. 8 -
Date 4/23/69.

L. 1969, Chapter 128 - A540
Introduced April 10, 1969 by Dennis, Kaltenbacher & Wilson.
A statement was made. (Copy enclosed)
Not amended.

No hearings or reports were located.

Listed as "approved" in:

974.905 New Jersey League of Municipalities Legislative
L51 Bulletin. No. 7 - Date - June 9, 1969.

The following clippings were located:

PROPERTY OF
NEW JERSEY STATE LIBRARY

185 W. State Street
Trenton, N. J.

DEPOSITORY COPY
Do Not Remove From Library

Copy 2

- 6/20/69 "Asks Bank Tax To Aid Cities" - Newark Evening News.
- 6/20/69 "Bank Tax Suggested For New Urban Aid" - Trenton Evening Times.
- 6/21/69 "Bank - Tax Rise Asked By Hughes to Raise \$25 Million for Cities" - The Philadelphia Inquirer.
- 6/22/69 "Taxing the Banks" - Newark Evening News.

V.F. - - N.J. - - Banks & Banking - Taxation.

JH/rb

COPY

ASSEMBLY, No. 840

STATE OF NEW JERSEY

INTRODUCED APRIL 10, 1969

By Assemblymen DENNIS, KALTENBACHER and WILSON

Referred to Committee on Banking and Insurance

AN ACT relating to the taxation of the common capital stock of banks, national banks and trust companies, and amending sections 54:9-5, 54:9-6, 54:9-9, 54:9-11, 54:9-12, 54:9-13, 54:9-14, 54:9-15 and 54:9-18 of the Revised Statutes.

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

1 1. Section 54:9-5 of the Revised Statutes is amended to read
2 as follows:

3 54:9-5. (1) For the purposes of assessment, the chief fiscal officer
4 of every such bank shall annually, on or before January 10, file
5 with the secretary of the board of taxation of the county within
6 which its principal [place of business] office is located, and with
7 the secretary of the board of taxation of every other county within
8 which it has a branch office, a true statement under the oath of its
9 president, cashier, or treasurer, setting forth the following as of
10 the close of business on the assessment date as herein defined:

11 a. Its name, [and principal place of business] the location of its
12 principal office and of each branch office maintained by it, including
13 the name of the county in which each such office is located; the total
14 deposit balances at each of its offices and the total deposit balances
15 of such bank as of the close of business on the assessment date;

16 b. The amount of its capital, surplus and undivided profits [as
17 indicated by the books of the company as of the close of business
18 December 31 previous for which the statement is filed];

19 c. The number of shares of its issued and outstanding preferred
20 stock of all classes and the aggregate par value of each class
21 thereof, and the amount required, in addition to the par value of
22 the preferred stock, for the redemption and retirement of such
23 preferred stock;

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.

PROPERTY OF
NEW JERSEY STATE LIBRARY

185 W. State Street
Trenton, N. J.

24 d. The number of shares of its issued and outstanding common
25 stock;

26 e. The assessed value of its real property, including the assessed
27 value of all real property owned by a corporation all the stock of
28 which is owned by such bank.

29 *The statements so filed shall be confidential and shall not be*
30 *available to the public.*

31 **¶**A bank which has one or more branch offices in a taxing district
32 or districts other than the taxing district in which its principal
33 office is located shall, at the same time and place, file an additional
34 statement which shall show the location of each such branch office,
35 the deposit balances credited at each such branch office, and the
36 total deposit balances of the bank, as of the close of business on
37 December 31 next preceding the date of the statement, which state-
38 ment shall be confidential and shall not be made available to the
39 public. **¶**

40 *(2) For the purposes of this subtitle, "assessment date" means*
41 *the December 31 next preceding the month during which the state-*
42 *ment described in subsection (1) of this section is required to be*
43 *filed, and "office," when not otherwise designated includes principal*
44 *office and branch office.*

1 2. Section 54:9-6 of the Revised Statutes is amended to read
2 as follows:

3 54:9-6. In addition to the **¶**report **¶**statement provided for in
4 section 54:9-5 of this Title, there shall be kept at the principal
5 **¶**place of business **¶**office of every such bank a full and correct list
6 of the names and residences of all of each class of stockholders
7 therein, and the number of shares, common or preferred, held by
8 each. *When a bank has an office or offices in a county other than*
9 *that in which it has its principal office, a copy of such list shall be*
10 *kept in such office in each such other county as the bank shall desig-*
11 *nate in the statement filed pursuant to section 54:9-5 of this Title.*
12 The list *kept in an office in a county* shall be subject to the inspection
13 of the board of taxation of **¶**the **¶**that county **¶**within which the
14 bank maintains its principal place of business **¶** at all times during
15 business hours.

1 3. Section 54:9-9 of the Revised Statutes is amended to read
2 as follows:

3 54:9-9. Each county board *of a county in which a bank has its*
4 *principal office or a branch office or offices* shall annually, on or
5 before March 1, ascertain from an inspection of the statements
6 filed, and from any other sources of information which may be
7 open to it:

8 a. The names and *locations of all banks which have their principal*
 9 *office or a branch office or offices in such county*; **places of business**
 10 **of all banks in the county**;

11 b. The number of shares of common and preferred capital stock
 12 of each issued and outstanding;

13 c. The aggregate amount of the capital, surplus and undivided
 14 profits of each;

15 d. The number of shares of its issued and outstanding preferred
 16 stock of all classes and the aggregate par value of each class
 17 thereof, and the amount required, in addition to the par value of
 18 the preferred stock, for the retirement of such preferred stock;

19 e. The number of shares of its issued and outstanding common
 20 stock;

21 f. The assessed value of its real property, and the assessed value
 22 of all real property owned by a corporation all the stock of which
 23 is owned by such bank;

24 g. The value of all the common capital stock of each issued and
 25 outstanding as determined pursuant to section 54:9-4 of this Title
 26 **as said section is amended by this amending act**;

27 h. The value of a single common share of each, determined in
 28 accordance with the provisions of section 54:9-4 of this Title **as**
 29 **said section is amended by this amending act**; and

30 i. The amount of tax levied upon the common capital stock of
 31 each at the uniform rate.

32 **Provided, however, that the time for the assessment by the**
 33 **county board of such tax for the year 1949 shall be extended for a**
 34 **period of 20 days next after the date on which this amending act**
 35 **shall take effect.**

36 *j. The total deposit balances of each such bank as of the close of*
 37 *business on the reporting date as specified in section 54:9-5 of*
 38 *this Title, and the total deposit balances at each office of such bank*
 39 *in such county as of the close of business on the assessment date.*

40 *k. The amount of the tax payable to such county as provided by*
 41 *section 54:19-13 of this Title.*

1 4. Section 54:9-11 of the Revised Statutes is amended to read
 2 as follows:

3 54:9-11. Each county board of taxation shall attach to the table
 4 of aggregates required to be transmitted to the county treasurer a
 5 tabulation of the taxes so assessed and levied in its county. This
 6 tabulation shall not be included among the ratables of the county
 7 or any taxing district for any purpose other than the collection of
 8 the taxes imposed according to the provisions of this subtitle.
 9 **The tax so imposed shall be collected by the county treasurer from**

10 the bank, against the common capital stock of which it is levied
 11 and shall be due and payable to the county treasurer $\frac{1}{2}$ thereof
 12 June 1 and $\frac{1}{2}$ thereof December 1.】 *Each treasurer of a county in*
 13 *which a bank maintains an office shall collect from such bank the*
 14 *portion of the tax imposed against the common capital stock of the*
 15 *bank as provided in section 54:9-13 of this Title. The tax so imposed*
 16 *shall be payable $\frac{1}{2}$ thereof on June 1 and $\frac{1}{2}$ thereof on Decem-*
 17 *ber 1.*

1 5. Section 54:9-12 of the Revised Statutes is amended to read
 2 as follows:

3 54:9-12. The shares of common stock of every bank shall be
 4 assessed against the common stockholders in the taxing district *or*
 5 *districts* within which the [bank's principal place of business is
 6 located,] *bank has an office or offices* and the tax assessed against
 7 such stockholders shall be a lien upon their common stock from
 8 January first in each year. The common stock may be levied upon
 9 and sold by the county treasurer on default of payment. Each
 10 bank shall pay the tax assessed against its shareholders on demand,
 11 and shall have a lien upon the shares of common stock for the pay-
 12 ment and may retain the amount so paid out of the dividends that
 13 may be declared on those shares.

1 6. Section 54:9-13 of the Revised Statutes is amended to read
 2 as follows:

3 54:9-13. [The tax so paid to the county treasurer shall be ap-
 4 portioned at the rate of 50% to the county within which the bank is
 5 located, and 50% to the taxing districts within which its places of
 6 business are located. In the case of a bank which has its principal
 7 and branch offices, if any, located in more than one taxing district,
 8 the tax paid shall be apportioned at the rate of 50% to the county
 9 in which the principal office is located, and 50% to the taxing
 10 districts in which such principal and branch offices are located,
 11 in the proportion that the deposit balances at the principal office
 12 and branch offices within each taxing district, within or without
 13 the county, are to the total deposit balances of such bank, as of the
 14 close of business on December 31 of the year next preceding the
 14A year for which the tax is paid.】

15 *When a bank has offices in only one county, the entire tax imposed*
 16 *against the common capital stock of such bank shall be collected by*
 17 *the treasurer of such county. When a bank maintains an office in*
 18 *more than one county, the treasurer of each county in which the*
 19 *bank maintains an office or offices shall collect from such bank that*
 20 *proportion of the total tax payable by such bank pursuant to this*

21 *Title which the total deposit balances at all offices of such bank in*
 22 *such county at the close of business on the assessment date bear*
 23 *to the total deposit balances of such bank as of the close of business*
 24 *on the assessment date. When a bank has an office or offices in more*
 25 *than one taxing district in a county, tax collected by the treasurer*
 26 *of such county shall be apportioned by such treasurer 1/2 to such*
 27 *county, and 1/2 to the taxing districts in which such bank has an*
 28 *office or offices, each such taxing district being entitled to that pro-*
 29 *portion of 1/2 of the tax collected by the county treasurer, as the*
 30 *deposit balances at all offices of such bank in such taxing district as*
 31 *of the close of business on the assessment date bears to the total*
 32 *deposit balances at all offices of such bank in such county as of the*
 33 *close of business on such assessment date. The amount so due to a*
 34 *taxing district shall be paid forthwith by the disbursing officer of*
 35 *the county, setting forth, in detail, the amount of the tax received,*
 36 *the [institutions] banks by which it was paid, the aggregate amount*
 37 *thereof, and the basis of apportionment.*

1 7. Section 54:9-14 of the Revised Statutes is amended to read
 2 as follows:

3 54:9-14. If a bank shall, by resolution of its board of directors
 4 filed as provided in section 54:9-15 of this Title, request the county
 5 board of taxation *of each county in which it maintains an office to*
 6 *assess to and in the name of the bank the entire taxable value of all*
 7 *the shares of common stock therein, instead of assessing them to*
 8 *and in the name of the individual shareholders owning them, and*
 9 *shall agree that it will pay [the taxes levied against the shares at*
 10 *the time when due and payable,] when due and payable, to the*
 11 *treasurer of such county, that proportionate share of the total taxes*
 12 *levied against the bank's shares which such treasurer is directed*
 13 *to collect pursuant to section 54:9-13 of this Title, the total amount*
 14 *of capital, surplus and undivided profits less the deductions there-*
 15 *from provided for in section 54:9-4 of this Title shall be assessed*
 16 *to and in the name of the bank, and no list of shareholders shall*
 17 *be required. All other provisions of this section shall apply, and*
 18 *the tax shall be a lien against the property and assets of the bank*
 19 *and collectible as other taxes are collected. Nothing herein con-*
 20 *tained shall be construed as a taxation of property as distinguished*
 21 *from capital stock.*

1 8. Section 54:9-15 of the Revised Statutes is amended to read
 2 as follows:

3 54:9-15. A certified copy of the resolution shall be filed with the
 4 county board of taxation *of each county in which the bank maintains*

5 *an office* at least 30 days before January 1 in any year and an
 6 additional copy shall be filed at the same time with the Commis-
 7 sioner of Banking and Insurance. Any unrevoked resolution hereto-
 8 fore filed shall apply to the assessment of the tax upon the common
 9 stock of such bank and any resolution properly filed shall be binding
 10 and in force until revoked. Notice of revocation to be valid must be
 11 similarly filed at least 30 days before the assessment **[day]** *date*
 12 in any year.

1 9. Section 54:9-18 of the Revised Statutes is amended to read as
 2 follows:

3 54:9-18. The penalty imposed by this subtitle shall be collected
 4 by action at law instituted by the treasurer of the county in which
 5 the bank has its principal office **[or place of business,]** and the pro-
 6 ceeds thereof shall be divided, *among such* **[between the]** county,
 7 *such other counties within which the bank has an office or offices,*
 8 and the taxing district or *districts* in which it has **[its principal office**
 9 **or place of business,]** *an office or offices* in the same manner as the
 10 taxes contemplated to be assessed, levied and collected by this
 11 subtitle are apportioned.

1 10. This act shall take effect July 17, 1969.

STATEMENT

The purpose of this bill is to adapt the law providing for taxation of bank stock, presently geared to a situation where all offices of a bank must be located in the same county, to the situation which will arise on and after July 17, 1969, when banks will be able to establish and maintain offices in more than one county as a result of legislation adopted in 1968 permitting banks to establish branch offices in banking districts comprised of multiple counties.