

AN ACT AMENDING OR REPEALING CERTAIN SECTIONS OF TITLE V OF THE NATIONAL INTERNAL REVENUE CODE.

REPUBLIC ACT NO. 41, October 01, 1946

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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section one hundred and eighty-four of Commonwealth Act Numbered Four hundred and sixty-six, as amended by section one of Commonwealth Act Numbered Five hundred and twenty-five, is hereby further amended to read as follows:

"SEC. 184. Percentage tax on sales of jewelry, toilet preparations, and others.—There is levied, assessed and collected once only on every original sale, barter, exchange, or similar transaction intended to transfer ownership of, or title to, the articles herein below enumerated a tax equivalent to twenty per centum of the gross selling price or gross value in money of the articles so sold, bartered, exchanged, or transferred, such tax to be paid by the manufacturer, producer, or importer: Provided, That where the articles are manufactured out of materials subject to tax under this section, the total cost of such materials, as duly established, shall be deductible from the gross selling price or gross value in money of the manufactured articles.

"(a) All articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with, precious metals or imitations thereof or ivory (not including surgical instruments or silver-plated ware, or frames or mountings for spectacles or eyeglasses); opera glasses, and lorgnettes.

"(b) Perfumes, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, and any similar substance, article, or preparation, by whatsoever name known or distinguished, except tooth and mouth washes, dentifrices, tooth pastes, and talcum or medicated toilet powders; and any of the above which are used or applied or intended to be used or applied for toilet purposes: Provided, That the tax herein imposed shall not apply to toilet preparation on which the specific tax established in section one hundred and twenty-seven has been paid."

SEC. 2. Section one hundred and eighty-five of Commonwealth Act Numbered Four hundred and sixty-six as amended by section two of Commonwealth Act Numbered Five hundred and twenty-five, is hereby further amended to read as follows:

"SEC. 185. Percentage tax on sales of automobiles, sporting goods, refrigerators, musical instruments, and others.— There is levied, assessed, and collected once only on every original sale, barter, exchange, or similar transaction intended to transfer ownership of, or title to, the articles herein below enumerated, a tax equivalent to ten per centum of the gross selling price or gross value in money of the articles so sold, bartered, exchanged or transferred, such tax to be paid by the manufacturer, producer, or importer: Provided, That where the articles are manufactured out of materials subject to tax under this section and section one hundred and eighty-six the total cost of such materials, as duly established, shall be deductible from the gross selling price or gross value in money of the manufactured articles.

"(a) Automobile chassis and bodies, the selling price of which does not exceed five thousand pesos each: Provided, That if the selling price of an automobile exceeds five thousand pesos, the excess amount shall also be taxed in accordance with the provisions of section one hundred and eighty-four hereof. A sale of automobile

shall, for the purposes of this section, be considered to be a sale of the chassis and of the body together with parts and accessories with which the same are usually equipped;

"(b) Watches and clocks, the value of which exceeds twenty pesos each, marine glasses, field glasses binoculars, and cinematographic films of not more than eight millimeters in width;

"(c) Polo mallets and balls; golf bags, clubs and balls; fishing rods and reels; chess and checker boards and pieces; dice; and mahjong sets;

"(d) Beauty parlor equipment;

"(e) Refrigerators, beverage coolers, and ice cream cabinets, water coolers, food and beverage storage cabinets, ice-making machines, and mild cooler cabinets, each such article having, or being primarily designed for use with, a mechanical refrigerating unit operated by electricity, gas, kerosene, or other means;

"(f) Musical instruments, phonographs, combination radio and phonograph sets, and phonograph records;

"(g) Cartridges or other forms of ammunition, (except those for caliber .22 firearms) : Provided, however, That no tax shall be collected on cartridges or other forms of ammunition sold and delivered directly to the Philippine Army for their actual use or issue;

"(h) Electric direct motor driven and air circulators; electric, gas or oil water heaters; electric flat irons; electric oil appliances of the type used for cooking, warming, or keeping warm food or beverages for consumption on the premises; electric mixers, whippers, and juicers; and household type electric vacuum cleaners;

"(i) Unexposed photographic files (including motion picture films but not including X-Ray films) photographic plates and sensitized paper; photographic apparatus and equipment; and any apparatus or equipment designed especially for use In the taking of photographs or motion pictures or in the developing, printing, or enlarging of photographs or motion picture films;

"(j) Neon-tubes signs, electric signs, and electric advertising devices;

"(k) Washing machines of all types;

"(l) Self-contained air-conditioning units and parts or accessories therefore; and

"(m) Mechanical lighters."

SEC. 3. Section one hundred and eighty-six of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 186. Percentage tax on sales of other articles.— There is levied, assessed, and collected once only on every original sale, barter, exchange, or similar transaction intended to transfer ownership of, or title to, the articles not enumerated in sections one hundred and eighty-four and one hundred and eighty-five a tax equivalent to five per centum of the gross selling price or gross value in money of the articles so sold, bartered, exchanged, or transferred, such tax to be paid by the manufacturer, producer, or importer : Provided, That where the articles are manufactured out of materials subject to tax under this section, the total cost of such materials, as duly established, shall be deductible from the gross selling price or gross value in money of the manufactured articles."

SEC. 4. Section one hundred and eighty-seven of Commonwealth Act Numbered Four hundred and sixty-six, as amended by section one of Commonwealth Act Numbered Five hundred and three, is hereby repealed.

SEC. 5. Section one hundred and eighty-eight of Commonwealth Act Numbered Four hundred and sixty-six, as amended by section two of Commonwealth Act Numbered Five hundred and three, is hereby further amended to read as follows:

"SEC. 188. Transactions and persons not subject to percentage tax.— In computing the tax imposed in sections one hundred and eighty-four, one hundred and eighty-five, and one hundred and eighty-six, transactions in the following commodities shall be excluded:

"(a) Things subject to tax under Title IV of this Code.

"(b) Agricultural products and the ordinary salt when sold, bartered, or exchanged in this country by the producer or owner of the land where produced, whether in their original state or not.

"(c) Minerals and mineral products when sold, bartered, or exchanged in this country by the lessee, concessionaire, or owner of the mineral land from which removed.

"(d) Articles subject to tax under section one hundred and eighty-nine of this Code

"The following persons shall be exempt from the percentage taxes imposed in sections one hundred and eighty-four, one hundred and eighty-five and one hundred and eighty-six:

"(a) Persons whose gross quarterly sales or receipts do not exceed four hundred fifty pesos.

"(b) All persons engaged in public market places exclusively in the sale at retail of domestic meat, fruits, vegetables, game, poultry, fish, and other domestic food products.

"(c) Peddlers and sellers at fixed stands and other similar selling places engaged exclusively in the sale at retail of domestic meat, fruits, vegetables, game, poultry, fish, and similar domestic food products, whose total stock in trade in any one day does not reach a retail value of fifty pesos.

"(d) Producers of commodities of all classes working in their own homes, consisting of parents and children living as one family, when the value of each day's production by each person capable of working is not in excess of five pesos."<.ol>

SEC. 6. Section one hundred and eighty-nine of Commonwealth Act Number Four hundred and Sixty-six, as amended by section three of Commonwealth Act Number Five hundred and three, is hereby further amended to read as follows:

"SEC. 189. Percentage tax upon proprietors or operators of rope factories, sugar centrals, rice mills, coconut oil mills, corn mills, and desiccated coconut factories.—Proprietors or operators of rope factories, sugar centrals, rice mills, coconut oil mills, corn mills, and desiccated coconut factories shall pay a tax equivalent to two per centum of the gross value in money of all the rope, sugar, rice, coconut oil, ground or milled corn, and desiccated coconut manufactured or milled by them, including the by-products of the raw materials from which the said articles are produced or manufactured such tax to be based on the actual selling price or market value of these articles at the time they leave the factory or mill warehouse.

"In case the raw materials are manufactured or milled in pursuance of a contract where the factory, central, or mill receives a share of the finished products, the tax on the share pertaining to the planter or owner of the raw materials shall be charged to the planter or owner and withheld by the proprietor or operator of the factory, central, or mill and paid by him to the Collector of Internal Revenue.

"A proprietor or operator of a refined sugar factory shall be subject to the tax imposed by this section but shall be permitted to deduct from the actual selling price or market value of the refined sugar the total cost, as duly established, of the raw sugar upon which the tax under this section has previously been paid.

"Where articles are manufactured out of materials subject to tax under this section, the total cost, as duly established, of the said materials shall be deductible from the gross selling price or gross value in money of the manufactured articles."

SEC. 7. This Act shall take effect on October first, nineteen hundred and forty-six.

Approved, October 1, 1946.

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