

AN ACT TO AMEND CERTAIN SECTIONS OF TITLE IX OF THE NATIONAL INTERNAL REVENUE CODE, (re civil remedies for collection oil taxes)

REPUBLIC ACT NO. 5203, June 15, 1968

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

SECTION 1. Section Three hundred and eighteen of the National Internal Revenue Code is hereby amended to read as follows:

"SEC. 318. Distraint of personal property.—The remedy by distraint shall proceed as follows: Upon the failure of the person owing any delinquent tax or delinquent revenue to pay the same, at the time required, the Revenue District Officer, if the amount involved does not exceed five thousand pesos; the Revenue Regional Director, if the amount involved is more than five thousand pesos but does not exceed twenty thousand pesos; and the Commissioner of Internal Revenue, if the amount involved exceeds twenty thousand pesos shall seize and distraint not earlier than three months nor later than six months from receipt of demand, any goods, chattels, or effects, and the personal property, including stocks and other securities, debts, credits, bank accounts, and interest in and rights to persona) property, of such person in sufficient quantity to satisfy the tax, or charge, together with any increment thereto incident to delinquency, and the expenses of the distraint and the cost of the subsequent sale.

"A report on any distraint shall, within ten days from receipt of the warrant, be submitted by the distraining officer to the Revenue District Officer, to the Revenue Regional Director, and to the Commissioner of Internal Revenue."

SEC. 2. Section Three hundred and twenty-four is hereby amended to read as follows:

"SEC. 324. Levy on real estate.—After the expiration of the time required to pay the delinquent tax or delinquent revenue as prescribed in Section three hundred eighteen, real property may be levied upon before, simultaneously, or after the distraint of personal property belonging to the delinquent. To this end, any internal revenue officer designated by the Revenue District Officer, or the Revenue Regional Director or the Commissioner of Internal Revenue, as the case may be, shall prepare a duly authenticated certificate showing the name of the taxpayer and the amounts of the tax and penalty due from him. Said certificates shall operate with the force of a legal execution throughout the Philippines. Levy shall be effected by writing, upon said certificate a description of the property upon which levy is made. At the same time, written¹ notice of the levy shall be mailed to or served upon the Register of Deeds of the province or city where the property is located and upon the delinquent or, if he be absent from the Philippines, to his agent or the manager of the business in respect to which the liability arose, or, if there be none, to the occupant of the property in question.

"In case the levy on real property is not issued before or simultaneously with the warrant of distraint on per-sonal property, and the personal property of the taxpayer is not sufficient to satisfy his tax delinquency, the Revenue District Officer, Regional Director or Commissioner, as the case may be, shall within thirty days after execution of the distraint, proceed with the levy on the taxpayer's real property.

"A report on any levy shall, within ten days after re-ceipt of the warrant, be submitted by the levying officer to

the District Revenue Officer, the Revenue Regional Director, and to the Commissioner of Internal Revenue.

SEC. 3. A new section is hereby inserted between sections three hundred twenty-four and three hundred twenty-five of the National Internal Revenue Code to read as follows:

"SEC. 324-A. Penalty for failure to issue and execute warrant.—Any official who fails to issue or execute the warrant of distraint or levy within thirty days after the expiration of the time prescribed in Sections three hundred eighteen and three hundred twenty-four or who is found guilty of abusing the exercise thereof by competent authority shall be automatically dismissed from the service after due notice and hearing."

SEC. 4. Section three hundred and twenty-five is hereby amended to read as follows:

"SEC. 325. Advertisement and sale.—Within twenty days after levy, the officer conducting the proceedings shall proceed to advertise the property or a usable portion thereof as may be necessary to satisfy the claim and, cost of sale; and such advertisement shall cover a period of at least thirty days. It shall be effectuated by posting a notice at the main entrance of the municipal building or city hall and in a public and conspicuous place in the barrio or district in which the real estate lies and by publication once a week for three weeks in a newspaper of general circulation in the municipality or city where the property is located. The advertisement shall contain a statement of the amount of taxes and penalties so due and the time and place of sale, the name of the taxpayer against whom taxes are levied, and a short description of the property to be sold. At any time before the day fixed for the sale, the taxpayer may discontinue all proceedings by paying the taxes, penalties and interest. If he does not do so, the sale shall proceed and shall be held either at the main entrance of the municipal building or city hall, or on the premises to be sold, as the officer conducting the proceedings shall determine and as the notice of sale shall specify.

"Within five days after the sale, a return by the distraining or levying officer of the proceedings shall be entered upon the records of the collection agent, the Revenue District Officer, the Revenue Regional Director, and the Commissioner of Internal Revenue. The collection agent, in consultation with the provincial or city or municipal treasurer, shall then make out and deliver to the purchaser a certificate from his records, showing the proceedings of the sale, describing the property sold, stating the name of the purchaser and setting out the exact amount of all taxes, penalties and interest: Provided, however, That in case the proceeds of the sale exceeds the claim and cost of sale, the excess shall be turned over to the owner of the property.

"The collection agent, upon approval by the Revenue District Officer may, out of his collections, advance an amount sufficient to defray the costs of collection by means of the summary remedies provided for in the Code, including the preservation or transportation in case of personal property, and the advertisement and subsequent sale, both in cases of personal and real property including improvements found on the latter. In his monthly collection re-port, such advances shall be reflected and supported by receipts.

SEC. 5. This Act shall take effect upon its approval.

Approved, June 15, 1968.

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