

INCREASING THE SPECIFIC TAX ON LUBRICATING OILS, GASOLINE, BUNKER FUEL OIL, DIESEL FUEL OIL, AND OTHER SIMILAR PETROLEUM PRODUCTS LEVIED UNDER SECTIONS 142, 144 AND 145 OF THE N...

PRESIDENTIAL DECREE NO. 436, April 13, 1974

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WHEREAS, in order to accelerate the prosecution of nationwide infrastructure programs the local governments must participate more actively and to a greater extent;

WHEREAS, local government revenues are found to be inadequate for purposes of financing the maintenance and repair of existing roads and bridges, as well as new construction and improvement projects; and

WHEREAS, it is the policy to provide the local governments with sufficient resources in areas of governmental operations that cannot be supported by local funds;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution, do hereby decree, order and make as part of the law of the land:

SECTION 1. Sections 142, 144 and 145 of the National Internal Revenue Code, as amended, are hereby further amended to read as follows:

"SEC. 142. Specific tax on manufactured minerals and other fuels. — On refined and manufactured mineral oils and motor fuels, there shall be collected the following taxes:

X X X

"(b) Lubricating oils, per liter of volume capacity, fifty centavos;

"(c) Naphtha, gasoline and all other similar products of distillation, per liter of volume capacity, twenty-nine centavos."

X X X

"SEC. 144. Specific tax on bunker fuel oil. — On fuel oil, commercially known as bunker fuel oil, and on all similar fuel oils, having more or less the same generating power, there shall be collected, per liter of volume capacity, one and one-half centavos.

"SEC. 145. Specific tax on diesel fuel oil. — On fuel oil, commercially known as diesel fuel oil, and on all similar fuel oils, having more or less the same generating power, per liter of volume capacity, ten and one-half centavos."

SEC. 2. In addition to the internal revenue allotments under Presidential Decree No. 144 and the Highway Special Fund allotments under Republic Act No. 917, as amended by Presidential Decree No. 17, and further amended by Presidential Decree Nos. 130 and 320, provinces, cities and municipalities shall share in the specific taxes on the following petroleum products in such amounts as may be equivalent to the collections therefrom at the rates indicated hereunder:

- Lubricating oils, per liter of volume capacity — twenty centavos;
- Naphtha, gasoline and all other similar products of distillation, per liter of volume capacity — four centavos;
- On bunker fuel oil, and on all similar fuel oils, having more or less the same generating power, per liter of volume capacity — one-half centavo.
- On diesel fuel oil, and on all similar fuel oils, having more or less the same generating power, per liter of volume capacity — one-half centavo.

The additional allotment is in lieu of local taxes imposed on petroleum products and for this purpose, Section 24 of Presidential Decree No. 231, otherwise known as the Local Tax Code, has been repealed by Presidential Decree No. 426 on March 30, 1974.

SEC. 3. The shares of provinces, cities and municipalities shall be allotted on the basis of the collections in specific taxes during the second fiscal year immediately preceding the current fiscal year in the following proportions:

- 20% of total shares to provinces
- 30% of total shares to municipalities
- 50% of total shares to chartered cities

SEC. 4. The allotment of each province, city and municipality shall be determined on the basis of the following formula:

- Seventy percent (70%) — Population
- Twenty percent (20%) — Land Area
- Ten percent (10%) — Equal Sharing

SEC. 5. The shares of provinces, cities and municipalities shall accrue entirely to their respective Road and Bridge Funds.

SEC. 6. The Secretary of Finance shall issue the necessary rules and regulations for the prompt and effective implementation of this Decree.

SEC. 7. All laws or parts of laws inconsistent herewith are hereby revoked or modified accordingly.

SEC. 8. This Decree shall take effect on April 16, 1974.

Done in the City of Manila, this 13th day of April, in the year of Our Lord, nineteen hundred and seventy-four.

(Sgd.) FERDINAND E. MARCOS

President

Republic of the Philippines

By the President:

(Sgd.) ALEJANDRO MELCHOR

Executive Secretary

Finance Department Order No. 13-74, dated April 29, 1974, was issued by the Department of Finance for the implementation of Presidential Decree No. 436.

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