

ENACTING A REAL PROPERTY TAX CODE

PRESIDENTIAL DECREE NO. 464, May 20, 1974

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WHEREAS, this country cannot progress steadily if its local governments are not potent political subdivisions contributing their proportionate shares to national progress;

WHEREAS, the past decade saw the passage of the Local Autonomy Act, the Barrio Charter, the Decentralization Act and other pieces of legislation intended to make local governments financially self-reliant and stable;

WHEREAS, it is very apparent that in spite of all these laws, local governments still find difficulty in providing adequate funds with which to underwrite basic and essential public services within their respective areas of responsibility;

WHEREAS, studies show that one of the main reasons behind this is the failure of local governments to fully tap the income potentialities of the real property tax;

WHEREAS, to remedy the situation, there is an urgent and compelling need to upgrade assessment services by updating assessment techniques, procedures and practices and thereby bring about equitable distribution of the realty tax burden among real property owners throughout the country;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution do hereby adopt, promulgate and decree, as it is hereby adopted, promulgated and decreed, as part of the law of the land, this decree entitled "The Real Property Tax Code", the context of which follows:

CHAPTER I.—General Provisions

SECTION 1. Scope.—This Code shall govern the appraisal and assessment of real property for purposes of taxation by provinces, cities and municipalities, as well as the levy, collection and administration of the real property tax.

SEC. 2. Fundamental Principles.—The appraisal and assessment of real property for taxation purposes shall be guided by the following fundamental principles:

- Real property shall be appraised at its current and fair market value;
- The appraisal of real property shall be uniform in each local political subdivision;
- Real property shall be classified for assessment purposes on the basis of its actual use;
- Real property shall be assessed on the basis of a uniform standard of value within each local political subdivision;
- In no case shall the appraisal and assessment of real property for taxation purposes and the collection of the real property tax be let to any private person; and
- The goal of real property assessment shall be the equitable distribution of the tax burden.

SEC. 3. Definition of Terms.—When used in this Code.

- Actual use—shall refer to the purpose for which the property is principally or predominantly utilized by the person in possession of the property.
- Ad Valorem tax—is a levy on real property determined on the basis of a fixed proportion of the value of the property.
- Agricultural land—land devoted principally to the raising of crops such as rice, corn, sugar cane, tobacco, coconut, etc., or to pasturing, dairying, inland fishery, salt-making, and other agricultural uses, including timberlands and forest lands.
- Appraisal—is the act or process of determining the value of a property as of a specific date for a specific purpose.
- Assessment—the act or process of determining the value of a property, or proportion thereof, subject to tax, including the discovery, listing and appraisal of properties.
- Assessment level—is the percentage applied to the market value to determine the taxable or assessed value of the property.
- Assessed Value—the value placed on taxable property by the assessor for ad valorem tax purposes. The assessed value when multiplied by the tax rate will produce the amount of tax due. It is synonymous to "taxable value."
- Commercial land—land devoted principally to commercial purposes, and generally for the object of profit.
- Depreciated value—the value remaining after deducting depreciation from either the replacement cost or the reproduction cost.
- Economic life—the estimated period over which it is anticipated that a machinery may profitably be utilized.
- Improvements—is a valuable addition made to property or an amelioration in its condition, amounting to more than mere repairs or replacement of waste, costing labor or capital, and intended to enhance its value, beauty or utility or to adapt it for new or further purposes.
- Industrial land—land devoted principally to industry as capital investment.
- Machinery—shall embrace machines, mechanical contrivances, instruments, appliances and apparatus attached to the real estate. It includes the physical facilities available for production, as well as the installations and appurtenant service facilities, together with all other equipment designed for or essential to its manufacturing, industrial or agricultural purposes.
- Market value—is defined as "the highest price estimated in terms of money which the property will buy if exposed for sale in the open market allowing a reasonable time to find a purchaser who buys with knowledge of all the uses to which it is adapted and for which it is capable of being used." It is also referred to as "the price at which a willing seller would sell and a willing buyer would buy, neither being under abnormal pressure."
- Mineral lands—are those lands in which minerals exist in sufficient quantity or grade to justify the necessary expenditures to be incurred in extracting and utilizing such minerals.
- Original cost—for newly acquired machinery not yet depreciated and appraised within the year of its purchase, refers to the actual cost of the machinery to its present owner (plus the cost of transportation, handling and installation at the present site).
- Reassessment—the assigning of new assessed values to property, particularly real estate, as the result of a general,

partial or individual reappraisal of the property.

- Remaining economic life—the period of time (years) from the date of appraisal to the date when the machinery becomes valueless.
- Remaining value—the value corresponding to the remaining useful life of the machinery.
- Replacement or reproduction cost (new)—the cost that would be incurred on the basis of current prices, in acquiring an equally desirable substitute property, or the cost of reproducing a new replica property on the basis of current prices with the same or closely similar material.
- Residential land—land principally devoted to habitation.

SEC. 4. Administration of the Real Property Tax.—The Department of Finance shall be primarily responsible for the proper, efficient and effective administration of the real property tax and for this purpose it shall:

- Evolve a comprehensive system of real property appraisal that will ensure fair and realistic property valuations for taxation purposes;
- Establish uniform assessment methods and procedures that will equalize property values in each local political subdivision;
- Ensure that the ad valorem tax on real property shall be just uniform and equitable;
- Adopt the necessary measures that will promote maximum tax collection efficiency at the local level;
- Provide for the optimum utilization by the local governments of the proceeds from the real property tax; and
- Formulate and adopt policies and procedures that will improve technical skills and develop reasonable standards of performance in the local assessment and treasury services.

In order to attain the foregoing objectives, the Secretary of Finance shall exercise direct executive supervision over all assessment and treasury officials and personnel in the local governments.

Chapter II.—Appraisal and Assessment of Real Property

SEC. 5. Appraisal of Real Property.—All real property, whether taxable or exempt, shall be appraised at the current and fair market value prevailing in the locality where the property is situated.

SEC. 6. Declaration of Real Property by Owner or Administrator.—It shall be the duty of all persons, natural or juridical, owning or administering real property, including the improvements therein, within a city or municipality, or their duly authorized representative, to prepare, or cause to be prepared, and file with the provincial or city assessor, a sworn statement declaring the true value of their property, whether previously declared or undeclared, taxable or exempt, which shall be the current and fair market value of the property, as determined by the declarant. Such declaration shall contain a description of the property sufficient in detail to enable the assessor or his deputy to identify the same for assessment purposes.

The sworn declaration of real property herein referred to shall be filed with the assessor concerned once every five years during the period from January first to June thirtieth, commencing with the calendar year 1977, unless required earlier by the Secretary of Finance.

SEC. 7. Declaration of Real Property by the Assessor.— When any person, natural or juridical, by whom real property is required to be declared under Section six hereof refuses or fails for any reason to make such declaration within the time prescribed, the provincial or city assessor shall himself declare the property in the

name of the defaulting owner, if known or against an unknown owner, as the case may be, and shall assess the property for taxation in accordance with the provisions of this Code. No oath shall be required of a declaration thus made by the provincial or city assessor.

SEC. 8. Listing of Real Property in the Assessment Rolls.—In every province and city, there shall be prepared and maintained by the provincial or city assessor an assessment roll wherein shall be listed all real property, whether taxable or exempt, located within the province or city. Real property shall be listed and valued in the name of the owner or administrator, or anyone having legal interest in the property.

The undivided real property of a deceased person may be listed and valued in the name of the estate, or of the heirs and devisee without designating them individually; an undivided real property other than that owned by a deceased may be listed and valued in the name of one or more co-owners: Provided, however, That such heir, devisee or co-owner shall be liable severally for all obligations imposed by this Code and for the payment of the real property tax with respect to the undivided property.

The real property of a corporation, partnership, or association shall be entered and assessed in the same manner as that of an individual.

Real property owned by the Republic of the Philippines, its political subdivisions and any government-owned corporation so exempt by its charter, the beneficial use of which has been granted, for consideration or otherwise, to a taxable person, shall be listed for purposes of taxation in the name of the grantee, or of the public entity if such property has been acquired for resale or lease.

The assessment roll shall be prepared in accordance with rules and regulations prescribed by the Secretary of Finance.

SEC. 9. Proof of Exemption, of Real Property from Taxation.—Every person by or for whom real property is declared, who shall claim tax exemption for such property under this Code shall file with the provincial or city assessor within thirty days from the date of the declaration of real property sufficient documentary evidence in support of such claim, including corporate charters, titles or ownership, articles of incorporation, by-laws, contracts, affidavits and certifications and mortgage deeds, and similar documents.

If the required evidence is not submitted within the period herein prescribed, the property shall be listed as taxable in the assessment roll. However, if it shall be proven to be tax exempt the same shall be dropped from the roll of taxable properties.

SEC. 10. Real Property Identification System.—All declarations of real property made under the provisions of this Code shall be kept and filed under a uniform identification system to be established by the provincial or city assessors in accordance with the rules and regulations to be prescribed by the Secretary of Finance.

SEC. 11. Notification of Transfer of Real Property Ownership.—Any person who shall transfer real property ownership to another shall notify the assessor of the province or city wherein the property is situated within sixty days from the date of such transfer. The notification shall include the particulars of the transfer, the description of the property alienated, and the name and address of the transferee.

SEC. 12. Duty of Register of Deeds to Apprise Assessor of Real Property Listed in Registry.—To ascertain whether or not any real property entered in the Registry of Property has escaped discovery and listing for the purpose of taxation, the Register of Deeds, shall prepare and submit to the provincial or city assessor, within two years from the date of approval of this Code an abstract of his registry, which shall include brief but sufficient description of the real properties entered therein, their present owners and the dates of their most recent transfer or

alienations accompanied by copies of corresponding deeds of sale, donation or partition or other form of alienation.

It shall also be the duty of the Register of Deeds to require every person who shall present for registration a document of transfer, alienation or encumbrance of real property to accompany the same with a certificate to the effect that the real property subject of the transfer, alienation or encumbrance, as the case may be, has been fully paid of all real property taxes due thereon. Failure to provide such certificate shall be a valid cause for the Register of Deeds to refuse the registration of the document.

SEC. 13. Duty of Official Issuing Building Permit or Certificates of Registration of Machinery to Transmit Copy to Assessor.—Any public official or employee who may now or hereafter be required by law or regulation to issue to any person a permit for the construction, addition, repair or renovation of a building or permanent improvement, on land, or a certificate or registration for any machinery, including machines, mechanical contrivances, and apparatus, attached or affixed on land, or to another real property shall transmit a copy of such permit or certificate, within thirty days of its issuance, to the assessor of the province or city wherein the property is situated.

SEC. 14. Duty of Surveyors to Furnish Copy of Plans to Assessors.—It shall be the duty of all surveyors, public or private, to furnish free of charge to the assessor of the province or city where the land is located with a white or blue print copy of each of all approved original or subdivision plans or maps of surveys executed by them within thirty days from receipt of such plans from the Bureau of Land or Land Registration Commission or the National Urban Planning Commission, as the case may be.

SEC. 15. Preparation of Schedule of Values.—Before any general revision of property assessments is made, as provided in this Code, there shall be prepared for the province or city a Schedule of Market Values for the different classes of real property therein situated in such form and detail as shall be prescribed by the Secretary of Finance.

Said schedule, together with an abstract of the data on which it is based, shall be submitted to the Secretary of Finance for review not later than the thirty-first day of December immediately preceding the calendar year the general revision of assessments shall be undertaken. The Secretary of Finance shall have ninety days from the date or receipt within which to review said schedule to determine whether it conforms with the provisions of this Code.

SEC. 16. Authority of Assessor to Take Evidence.—For the purpose of obtaining information on which to base the market value of any real property, the provincial or city assessor, or his deputy, may summon witnesses, administer oaths and take deposition, concerning the property, its ownership, amount, nature and value.

SEC. 17. Amendment of Schedule of Market Values.— For the correction of errors or inequalities in any schedule of market values, the provincial or city assessor shall, on his own initiative or upon the direction of the Secretary of Finance, prepare an amendment designed to remedy such errors or inequalities. Such amendments shall likewise be subject to review by the Secretary of Finance within ninety days¹ from the date of receipt thereof.

SEC. 18. Classes of Real Property for Assessment Purposes.—For purposes of assessment, real property shall be classified as residential, agricultural, commercial or industrial and also as mineral in the case of lands.

Mineral lands shall be further classified as follows:

- Metallic mineral lands, which shall include:
- Patented lode mining claims, producing or non-producing;

- Unpatented producing lode mining claims which may be patented;
- Unpatented non-producing lode mining claims which may be patented;
- Patented placer mining claims, producing or non-producing;
- Unpatented producing placer mining claims which may be patented; and
- Unpatented non-producing placer mining claims which may be patented.
- Non-metallic mineral lands, which shall include:
 - Patented, producing or non-producing;
 - Unpatented, producing which may be patented; and
 - Unpatented, non-producing, which may be patented.

Definition of terms.—"Patented" mineral lands are those lands covered by a duly issued mineral patent signed by the President of the Philippines.

"Unpatented" mineral lands are those lands which were located as mining claims under the provisions of the Philippine Bill of 1902 but are not yet covered by a mineral patent.

"Producing patented mineral claims" are those claims producing minerals for commercial purposes.

"Non-producing patented mineral claims" are those claims which are only in the stage of exploration and development and has not produced minerals for commercial production.

A "lode mineral claim" is a parcel of mineral lands containing a vein, lode, ledge, lens, or mass of ore in place which has been located in accordance with law.

A "placer claim" is that which does not come under the definition of "lode mineral claim."

"Placer deposits" are in loose, fragmentary or broken rocks, boulders, floats, beds or deposits.

"Metallic" deposits are those which contain any of the metallic elements or minerals, or their combinations, such as gold, silver, platinum, tin, chromium, iron manganese, copper, nickel, lead, zinc cinnabar, tungsten and the like.

"Non-metallic" deposits are all other deposits not covered by the above metallic deposits.

In case of conflict between the above definitions and those appearing in the Mining Act as amended, the latter shall prevail.

Special Classes of Real Property—

All lands, buildings and other improvements thereon, actually, directly and exclusively used for educational, cultural, recreational or scientific purposes, as well as hospitals not owned and operated by the government or by any of its instrumentalities, shall be classified as special.

SEC. 19. Actual Use of Real Property as Basis for Assessment.—Real property shall be assessed on the basis of its actual use regardless of where located and whoever uses it.

The Secretary of Finance shall issue guidelines for the proper implementation of the provisions of this Section.

SEC. 20. Assessment Levels.—The assessment levels to be applied to the current market values of real property for

taxation purposes shall be as follows:

- On Lands—The assessment levels in the province or city shall be maintained at the current levels of thirty per cent for residential lands; forty per cent for agricultural lands; and fifty per cent for commercial or industrial lands.
- Mineral lands—For purposes of taxation, mineral lands not covered by lease shall be appraised at fifty per cent of their market value to be determined by the Secretary of Finance, upon consultation with the Director of Mines: Provided, however, That mineral lands covered by leases shall be declared for taxation purposes either by the owner of the land or lessee and the assessment level thereof shall be maintained at the current level of fifty per cent.
- On Buildings, Machineries and other improvements.— The assessment levels now prevailing in the province or city shall be maintained but which shall in no case be lower than the assessment levels for lands hereinabove prescribed nor more than eighty per cent of the market value, except buildings used exclusively for residential purposes, the assessment levels for which shall be as follows:

Assessment Value

Market Value

15%

More

than

P30,000.00

but

less

than

or less

20%

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30,000.00

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P50,000.00

25%

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50,000.00

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75,000.00

35%

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75,000.00

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100,000.00

45%

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100,000.00

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150,000.00

55%

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150,000.00

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250,000.00

65%

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250,000.00

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350,000.00

75%

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350,000.00

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500,000.00

80%

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500,000.00

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"

- Special Classes—The assessment level for all lands, buildings and other improvements thereon, actually, directly and exclusively used for educational, cultural or scientific purposes, as well as hospitals not owned and operated by the government or by any of its instrumentalities shall be fifteen per cent of the market value of such property and for those exclusively used for recreational purposes, thirty per cent of their market value.

For the first general revision of assessments to be undertaken after the approval of this Code and every five years thereafter, the assessment levels hereinabove prescribed for the different classes of real property may be increased at rates to be fixed by the Secretary of Finance but in no case shall such increase in rates exceed ten per cent of the assessment levels herein prescribed for each class of real property.

SEC. 21. General Revision of Assessments.—Beginning with the calendar year 1978, the provincial or city assessor shall make a general revision of real property assessments in the province or city to take effect January 1, 1979 and once every five years thereafter: Provided, however. That if property values in a province or city, or in any municipality, have greatly changed since the last general revision, the provincial or city assessor may, with the approval of the Secretary of Finance or upon his direction, undertake a general revision of assessments in the province or city, or in any municipality before the fifth year from the effectivity of the last general revision.

SEC. 22. Valuation of Real Property.—Upon the discovery of real property or during the general revision of property assessments as provided in Section twenty-one of this Code or at any time when requested by the person

in whose name the property is declared, the provincial or city assessor or his authorized deputy shall make an appraisal and assessment in accordance with Section five hereof of the real property listed and described in the declaration irrespective of any previous assessment or taxpayer's valuation thereon: Provided, however, That the assessment of real property shall not be increased oftener than once every five years in the absence of new improvements increasing the value of said property or of any change in its use, except as otherwise provided in this Code.

SEC. 23. Certification of Revised Values to the Secretary of Finance.—When the provincial or city assessor shall have finished a general revision of property assessments for any province, municipality or city, he shall so certify to the Secretary of Finance and the assessments shall become effective and taxes shall accrue and be payable thereunder in accordance with the provisions of this Code.

SEC. 24. Date of Effectivity of Assessment or Reassessment.—All assessment or reassessments made after the first day of January of any year shall take effect on the first day of January of the succeeding year: Provided, however, That the reassessment of real property due to its partial or total destruction, or to a major change in its actual use, or to any great and sudden inflation or deflation of real property values, or to the gross illegality of the assessments when made or to any other abnormal cause, shall be made within ninety days from the date any such cause or causes occurred, the same to take effect at the beginning of the quarter next following the reassessment.

SEC. 25. Assessment of Property Subject to Back Taxes. —Real property declared for the first time shall have back taxes assessed against it for the period during which it would have been liable if assessed from the first in proper course but in no case for more than ten years prior to the year of initial assessment; Provided, however, That the back taxes shall be computed on the basis of the applicable schedule of values in force during the corresponding period.

If said taxes are paid before the expiration of the tax collection period next ensuing, no penalty for delinquency shall be imposed, otherwise the taxes shall be subject to all the penalties to which they would have been liable had they originally become delinquent after assessment of the property in the usual course.

SEC. 26. Binding effect of Assessment or Reassessment. —All assessments and reassessments made under the provisions of this Code shall be valid and binding on all persons having legal interest on the property.

SEC. 27. Notification of New or Revised Assessments.— When real property is assessed for the first time or when an existing assessment is increased or decreased, the provincial or city shall within thirty days give written notice of such new or revised assessment to the person in whose name the property is declared. The notice may be delivered personally to such person or to the occupant in possession, if any, or by mail to the last known address of the person to be served, or through the assistance of the barrio captain.

SEC. 28. Appraising Machinery.—The current market value of machinery shall be determined on the basis of the basis of the original cost in the case of newly acquired machinery not yet depreciated and is appraised within the year of its purchase. In the case of all others, the current market value shall be determined by dividing the remaining economic life of the machinery by its economic life and multiplied by the replacement or reproduction cost (new) of said machinery.

If the machinery is imported, replacement or reproduction cost (new) shall be the original acquisition cost which would normally include such costs as freight and insurance charges, brokerage, arrastre and handling, customs duties and taxes plus cost of inland transportation and handling, and significant installation charges at the present site. The cost in foreign currency of imported machinery shall be converted to peso cost on the basis of foreign currency exchange rates as fixed by the Central Bank of the Philippines.

SEC. 29. Depreciation Allowance for Machinery.—For purposes of assessment, a depreciation allowance shall be made for machinery at a rate not exceeding ten per cent of its original cost or its replacement or reproduction cost (new), as the case may be, for each year of use: Provided, That the remaining value for all kinds of machinery shall be fixed at not less than twenty per cent of such original or replacement cost for so long as the machinery is useful and in operation.

CHAPTER III.—Assessment Appeals

SEC. 30. Local Board of Assessment Appeals.—Any owner who is not satisfied with the action of the provincial or city assessor in the assessment of his property may, within sixty days from the date of receipt by him of the written notice of assessment as provided in this Code, appeal to the Board of Assessment Appeals of the province or city, by filing with it a petition under oath using the form prescribed for the purpose, together with copies of the tax declarations and such affidavit or documents submitted in support of the appeal.

SEC. 31. Organization, Powers and Functions of the Local Board of Assessment Appeals.—The Local Board of Assessment Appeals shall be composed of three members: the Register of Deeds, as Chairman, the Provincial or City Auditor and the Provincial or City Engineer, as Members, who shall serve as such in an ex-officio capacity without additional compensation. In provinces or cities without Provincial or City Engineers, the Highway District Engineer shall serve as member of the Board, likewise in an ex-officio capacity without additional compensation. In the absence of a regular appointee, the officer performing the duties of the Register of Deeds, or the Provincial or City Auditor, or the Provincial, City or Highway District Engineer whether in an acting capacity or as a duly-designated officer-in-charge shall automatically become the Chairman or member of the said Board, as the case may be.

The Chairman of the Board shall have the power to designate any government employee of the province or city to serve as Secretary of the Board also without additional compensation.

The Chairman and members of the Local Board shall enter into the duties of their respective positions without need of further appointment or special designation immediately upon approval of this Code. The members of the Board shall each take the following oath, copy of which shall be furnished the Secretary of Finance:

"I _____, having been appointed to the position of _____, hereby solemnly swear that I will well and faithfully discharge to the best of my ability and duties of my present position and of all others I may hereafter hold under the Republic of the Philippines, and that I will support and defend the Constitution of the Philippines; and that I will obey the laws, legal orders, and decrees promulgated by the duly constituted authorities of the Republic of the Philippines; and that I will well and truly hear and determine all matters and issues between taxpayers and the provincial or city assessor submitted for any decision, and that impose this obligation upon myself voluntarily without mental reservation or purpose of evasion.

So help me God.

Signature

Subscribed and Sworn to before me this _____ day of _____ A.D. at _____ Philippines.

Signature of Officer
Administering Oath

SEC. 32. Meetings.—The Local Board shall hold sessions at least once a month, and as often as may be necessary for the prompt disposition of the appealed cases pending before it. No member of the Board shall be entitled to per-diems or traveling expenses for his attendance in Board sessions, except when conducting an ocular inspection in connection with a case under appeal.

SEC. 33. Expenses of the Board.—All expenses of the Local Board of Assessment Appeals shall be charged against the general fund of the province or city, as the case may be. Local boards and councils shall appropriate the necessary funds to enable the Board of Assessment Appeals in their respective localities to operate effectively.

SEC. 34. Action by the Local Board of Assessment Appeals.—The Local Board of Assessment Appeals shall decide the appeal within one hundred and twenty days from the date of receipt of such appeal. The decision rendered must be based on substantial evidence presented at the hearing or at least contained in the record and disclosed to the parties or such relevant evidence as a reasonable mind might accept as adequate to support the conclusion.

In the exercise of its appellate jurisdiction, the Board shall have the power to summon witnesses, administer oaths, conduct ocular inspection, take depositions, and issue subpoena and subpoena duces tecum. The proceedings of the Board shall be conducted solely for the purpose of ascertaining the truth without necessarily adhering to technical rules applicable in judicial proceedings.

The Secretary of the Board shall furnish the property owner and the Provincial or City Assessor with a copy each of the decision of the Board. In case the provincial or city assessor concurs in the revision of the assessment, it shall be his duty to notify the property owner of such fact using the form prescribed for the purpose. The owner or administrator of the property or the assessor who is not satisfied with the decision of the Board of Assessment Appeals, may, within thirty days after receipt of the decision of the local Board, appeal to the Central Board of Assessment Appeals by filing his appeal under oath with the Secretary of the proper provincial or city Board of Assessment Appeals using the prescribed form stating therein the grounds and the reasons for the appeal, and attaching thereto any evidence pertinent to the case. A copy of the appeal should be also furnished the Central Board of Assessment Appeals, through its Chairman, by the appellant.

Within ten (10) days from receipt of the appeal, the Secretary of the Board of Assessment Appeals concerned shall forward the same and all papers related thereto, to the Central Board of Assessment Appeals through the Chairman thereof.

SEC. 35. Central Board of Assessment Appeals, its Organization.—The Central Board of Assessment Appeals shall be composed of the Secretary of Finance, as Chairman, the Secretary of Justice and the Secretary of Local Government and Community Development, as Members, who shall serve without additional compensation.

The Central Board of Assessment Appeals shall be assisted by a Board of Hearing Commissioners and a staff, which shall be initially composed of the following positions with compensation at the minimum rates indicated hereunder:

Position

Annual Salary

1.

One Central Board Chief Hearing Commissioner

P17,400.00

2.

Four Central Board Hearing Commissioners.

16,200.00

each

3.

One Central Board Secretary

9,600.00

4.

Four Central Board Stenographers

6,600.00

each

5.

Three Central Board Docket and Filing Clerks

4,800.00

each

The annual appropriations for the salaries of the above-mentioned positions and for such other positions as the Central Board may deem necessary to create hereafter, as well as sufficient appropriations for other operational requirements of the Board of Hearing Commissioners shall its staff, shall henceforth be included in the annual budgets of the Department of Finance in the corresponding General Appropriations Decree or laws.

Any provision of law to the contrary notwithstanding, appointment to the positions of Central Board Chief Hearing Commissioner, Central Board Hearing Commissioners and Central Board Secretary shall be exempt from the requirements and restrictions of the Civil Service Law, rules and regulations as well as those pertaining to position-item classifications and salary standardization. Any government retiree may be appointed to the Board of

Hearing Commissioners and upon his appointment, he shall not be required to reimburse or refund any gratuity received from the government nor shall any pension or annuity to which he is entitled be suspended or reduced on account of his employment. A member of the Board of Hearing Commissioners shall serve until he reaches the age of seventy unless he chooses to retire from the service or sooner removed for cause, as provided by law. The members of the Board of Hearing Commissioners shall be members of the bar, civil or mechanical engineers, or certified public accountants with at least five years supervisory and/or field experience in real property assessment work.

The Secretary of Finance, as Chairman of the Central Board of Assessment Appeals, shall appoint the members of the Board of Hearing Commissioners and its staff.

The initial sum of one hundred twenty-five thousand pesos is hereby appropriated from the General Fund in the National Treasury, not otherwise appropriated, to finance the operations of the Central Board of Assessment Appeals. For every fiscal year thereafter, such sums as may be necessary for the operations of the said Board shall be included in the appropriations of the Department of Finance in the corresponding General Appropriations Decree or laws.

The Chairman and Members of the Central Board shall enter into the duties of their respective positions, without need of further appointment or special designation, immediately upon approval of this Code.

SEC. 36. Scope of Powers and Functions.—The Central Board of Assessment Appeals shall have jurisdiction over appealed assessment cases decided by the Local Board of Assessment Appeals. The said Board shall decide cases brought on appeal within twelve (12) months from the date of receipt, which decision shall become final and executory after the lapse of fifteen (15) days from the date of receipt of a copy of the decision by the appellant.

In the exercise of its appellate jurisdiction, the Central Board of Assessment Appeals, or upon express authority, the Hearing Commissioners, shall have the power to summon witnesses, administer oaths, take depositions, and issue subpoenas and subpoenas duces tecum.

The Central Board of Assessment Appeals shall adopt and promulgate rules of procedure relative to the conduct of its business.

SEC. 37. Effect of Appeals on the Payment of the Real Property Tax.—Appeals on assessments of real property made under the provisions of this Code shall, in no case, suspend the collection of the corresponding realty taxes on the property involved as assessed by the provincial or city assessor, without prejudice to subsequent adjustment depending upon the final outcome of the appeal.

CHAPTER IV.—Imposition of Real Property Tax

SEC. 38. Incidence of Real Property Tax.—There shall be levied, assessed and collected in all provinces, cities and municipalities an annual ad valorem tax on real property, such as land, buildings, machinery and other improvements affixed or attached to real property not hereinafter specifically exempted.

SEC. 39. Rates of Levy.—The provincial, city or municipal board or council shall fix a uniform rate of real property tax applicable to their respective localities as follows:

- In the case of a province, the tax shall be fixed by ordinance of the provincial board at the rate of not less than one fourth of one percent but not more than one-half of one percent of the assessed value of real property;
- In the case of a city, the tax shall be fixed by ordinance of the municipal board or city council at the rate of not less than one-half of one percent but not more than two percent of the assessed value of real property.

The ordinance fixing the rate of real property tax shall be enacted by the local board or council not later than the fifteenth day of September of the year next preceding the year the tax shall begin to accrue. Within five days after enactment, the board or council secretary shall forward the ordinance to the local chief executive for his approval and signature. If he considers any such ordinance prejudicial to the public welfare, he may veto it by signifying to the local board or council concerned his disapproval thereof in writing. The local board or council may, by a two-thirds (2/3) vote of all its members and within fifteen days from the date of receipt of a copy of the vetoed ordinance, repass the same over the veto, in which case it shall be deemed approved without the local chief executive's approval or signature. If the local chief executive fails to approve or veto the ordinance within ten days after receipt of a copy thereof, it shall likewise be deemed approved.

The ordinance fixing the rate of real property tax shall remain in full force and effect unless amended on or before September fifteenth of the year next preceding the one in which the amendment is to take effect. Any ordinance reducing the existing rates of real property tax shall be subject review by the Secretary of Finance who shall act thereon within sixty days upon receipt of a copy thereof; otherwise, the reduced rates shall be deemed effective on the first day of January of the succeeding year.

SEC. 40. Exemptions from Real Property Tax.—The exemption shall be as follows:

- Real property owned by the Republic of the Philippines or any of its political subdivisions and any government-owned corporation so exempt by its charter: Provided; however, That this exemption shall not apply to real property of the abovenamed entities the beneficial use of which has been granted, for consideration or otherwise, to a taxable person.
- Non-profit cemeteries or burial grounds.
- Charitable institutions, churches, personages or convents appurtenant thereto, mosques, and all land, buildings, and improvements actually, directly and exclusively used for religious or charitable purposes.
- Real property in any one city or municipality belonging to a single owner the entire assessed valuation of which is not in excess of five hundred pesos: Provided, however, That the property so exempt shall be assessed and records thereof kept as in other cases.
- Land acquired by grant, purchase or lease from the public domain for conversion into dairy farms for a period of five years from the time of such conversion; and machinery of a new and preferred industry as certified by the Board of Investments used or operated for industrial, agricultural, manufacturing; or mining purposes, during the first three years of the operation of the machinery.
- Perennial trees and plants of economic value, except where the land upon which they grow is planted principally to such growth. (g) Real property exempt under other laws.

CHAPTER V.—Special Levies on Real Property

SEC. 41. An additional one per cent tax on real property for the Special Education Fund.—There is hereby imposed an annual tax of one per cent on real property to accrue to the Special Education Fund created under Republic Act No. 5447, which shall be in addition to the real property tax which local governments are authorized to levy, assess and collect under this Code; Provided, however, That when the entire total assessed valuation of real property situated in a province or city assessable to any one person does not exceed three thousand pesos, the additional one per cent tax herein imposed shall not be collected.

SEC. 42. Additional ad valorem tax on idle lands.—The President of the Philippines, at his discretion or upon recommendation of the Secretary of Finance, may authorize provinces, cities and municipalities to levy, assess

and collect an additional real property tax on idle private lands at a rate of not exceeding two per cent per annum based on the prevailing assessed value of the property.

SEC. 43. Idle lands, coverage.—For purposes of this Code, idle lands shall include the following:

- Agricultural lands more than five hectares in area suitable for cultivation, dairying, inland fishery and other agricultural uses, three-fourths of which remain uncultivated or unimproved as certified to by the provincial agriculturist. In the case of agricultural lands planted a permanent or perennial crop with at least one hundred trees to a hectare shall not be considered idle land. Lands actually used for grazing purposes shall not also be considered idle land.

- Urban lands in chartered cities and municipalities exceeding five thousand square meters in area, two-thirds of which remain unutilized or unimproved as certified to by the provincial or city assessor. This section shall likewise apply to residential lots or subdivisions duly approved by proper authorities, the ownership of which has been transferred to individual owners. If the acquired lots, however, remain, because the subdivision itself is not developed in accordance with its subdivision plans, the imposable under Section forty-two of this Code on the individual lots shall be assessed on the subdivision and paid for by the subdivision owner. Individual lots of such subdivisions, the ownership of which has not been transferred to the buyer shall be considered as forming part of the subdivision.

SEC. 44. Idle lands exempt from tax.—The special levy on idle lands shall not apply to landowners who are unable to improve, utilize or cultivate their lands due to any of the following causes:

- Adverse peace and order conditions as certified to by the provincial commander, unless, upon restoration of the peace and order in any locality duly certified by the said provincial commander and if within one year from the date of such certification the idle land has not been improved, utilized or cultivated, a tax may be imposed thereon pursuant to Section forty-two hereof.

- Financial loss of the landowner due to fire, flood, typhoon, earthquake and other causes of similar nature duly attested by the owner in an affidavit to be submitted to the provincial or city assessor stating the ground or grounds therein, unless the idle land is not improved to the extent prescribe in the next preceding Section within two years from the date of the occurrence of the loss, in which case, the tax imposable under Section forty-two hereof may be levied.

- Existing court litigations involving the land subject to tax mentioned in this chapter as certified by the Court under which the case is pending unless said land is not improved within one year after the final adjudication of the case, to the extent provided in the next preceding Section, in which case, the tax imposable under Section forty-two hereof may be levied.

- Necessity to leave the land in a follow state as certified to by the provincial agriculturist stating, among others, the length or time which that land shall be considered any for product, unless the idle land is not improved to the extent prescribed in the next preceding Section within one year after the termination of the period, in which case, the tax imposable under Section forty-two hereof may be levied.

- Unfavorable physical factors, such as rocky nature of ground and uneven topography the case of agricultural land, which render the land unsuitable for cultivation, as certified to by the provincial agriculturist.

In all cases the landowner shall be duly notified by the provincial or city assessor, as the case may be, of the imposition of the tax.

SEC. 45. Application for exemption.—Within two years from the approval of this Code, any person having legal

interest on the land, desiring to avail of the exemption under Section 44 hereof, shall file the corresponding application therefor with the assessor of the province or city where the land is situated. The application shall state the ground or grounds under which the exemption is being claimed.

The Secretary of Finance shall promulgate rules and regulations for the proper implementation of the provisions of this Section.

SEC. 46. Listing of idle kinds by the assessor.—The provincial or city assessor shall make and keep an updated record of all idle lands within one year after the approval of this Code and every year thereafter. For purposes of collection, the provincial or city assessor shall furnish a copy thereof to the provincial, city or municipal treasurer, as the case may be, who shall notify on the basis of such record the person having legal interest on the lands of the imposition of the additional tax.

SEC. 47. Special levy by local governments.—The provincial, city, municipal boards or councils may, by ordinance, provide for the imposition and collection of a special levy on the lands comprised within the province, city or municipality or parts thereof especially benefited by the laying out, opening, construction, straightening, widening, grading, paving, curbing, walling, deepening or otherwise establishing, repairing, enlarging, or improving public avenues, roads, streets, alleys, sidewalks, parks, plazas, bridges, landing places, wharves, piers, decks, levees, reservoirs, waterworks, water courses, esteros, canals, drains, and sewers: Provided, however, That the special levy herein authorized shall correspond only to a part not exceeding sixty per cent of the costs of said improvements or infrastructures financed by the province, city or municipality, as the case may be, including the costs of acquiring-land and such other real property in connection therewith. Within the meaning of this Section, all lands comprised within the district benefited, except lands exempt from the real property tax under Section forty hereof, shall be subject to the payment of the special levy.

SEC. 48. Ordinance imposing a special levy.—Tax ordinance providing for the levying and collection of a special levy shall describe with reasonable accuracy the nature, extent and location of the work to be undertaken; the probable cost of the proposed work so established, the limits whereof shall be stated by monuments and lines, and the number of annual installments, which shall not be less than five nor more than ten, in which said special levy shall be payable. The provincial board, municipal board or city council, or municipal council shall not be obliged, in the apportionment and computation of the special levy, to establish a uniform percentage of all lands subject to the payment of the tax for the entire district, but it may fix different rates for different parts or sections thereof, depending on whether such land is more or less benefited by the proposed work; nor shall the provincial board, the municipal board or city council, or municipal council be required to follow the percentage limitations imposed by Section thirty-nine of this Code.

The provincial, city or municipal engineer shall make the plans, specifications and estimate of the proposed work.

SEC. 49. Publication of proposed ordinance imposing a special levy.—The proposed special levy ordinance shall be published, with the list of the owners of the land affected thereby, once a week for four consecutive weeks in any newspaper published in the locality, one in English, and one in the local dialect, if there be any, and in default of local papers, in any newspaper of general circulation in the province, city or municipality. The said ordinance in English, and in the local dialect, shall also be posted in places where public notices are generally posted in the city or municipality and places affected by said improvement, and shall also be published once a week during four consecutive weeks by crier.

The provincial, city or municipal secretary, shall, on application, furnish a copy of the proposed ordinance to each landowner affected, or his agent, and shall if possible, send to all a copy of said proposed ordinance by mail or messenger.

SEC. 50. Protest against special levy.—Not later than thirty days after the last publication of the ordinance and list of landowners included in the zone subject to special levy, a protest may be submitted to the provincial, municipal, or city board or council, signed by a majority of the landowners affected by the proposed work, setting forth the addresses of the signers and arguments in support of their objection or project against the improvement to be made or against the special levy imposed by ordinance. If no protest is filed within the time and under the conditions above specified, the provincial, city or municipal ordinance shall become final and effective in all points after its approval by the corresponding board or council.

SEC. 51. Hearing a protest.—The board or council, shall designate a date and place for the hearing of the protest in accordance with the next preceding Section and shall give reasonable time to all protestants who have given their address and to all landowners affected by any protest, and shall order the publication once a week, during two consecutive weeks in any newspaper of the locality, if there be one, of general circulation in the province, city or municipality, or a notice in English or in the local dialect, of the place and date of the hearing to be held. Said notice shall likewise be posted in the places where public notices are usually posted in the province, city or municipality and places affected by the improvement. After the proper hearing, the board or city council, shall render its final decision confirming, modifying or revoking its ordinance, and shall send notice of its decision, to all interested parties who have given their addresses, and shall order the publication of such decision, together with a list of the parcels of land affected by the special levy, three times weekly, for two consecutive weeks, in the manner hereinabove specified. The decision of the municipal council shall become final, if, before expiration of thirty days from the date of its last publication, no appeal is filed with the provincial board against the proposed improvement or against the special levy, signed by at least a majority of the landowners affected. The appellant or appellants shall immediately give the municipal council a written notice of the appeal. In the case of the province or city, the decision of the provincial board or city council is not appealable but shall become final after the expiration of thirty days from its last publication.

SEC. 52. Decision of the appeal.—If an appeal is taken from the decision of the municipal council in the manner provided for in the next preceding Section, the said council shall forward to the provincial board an extract from the minutes of said council relative to the proposed improvement and all other documents in connection therewith, within ten days after receipt of the notice of appeal. The provincial board shall designate the place and set a date which shall be within thirty days following receipt of the board of the documents from the municipal council, for the hearing of the appeal, giving both parties notice thereof. During the hearing of the appeal, the municipal council shall be represented and heard, and the provincial board shall examine de novo all points involved in the protest filed, and its decision thereon shall be final.

SEC. 53. Fixing the amount of special levy.—The special levy authorized under Section forty-seven hereof shall be apportioned, computed, and assessed according to the assessed valuation of such lands, as shown by the books of the assessor, or its current assessed value as fixed by said officer in the first instance if the property does not appear of record in his books. Upon the approval of the ordinance, the provincial or city assessor shall forthwith proceed to determine the annual amount of special tax assessed against each parcel of land comprised within the district especially benefited and shall send to each landowner a written notice thereof by ordinary mail. If upon completion of work it should appear that the cost thereof is smaller or greater than the estimated cost of the work, the provincial or city assessor shall without delay proceed to correct the assessment by increasing or decreasing, as the case may be, the special tax on each parcel of land affected, for the balance of the unpaid annual installments. If all annual installments have already been paid, the provincial or city treasurer shall fix the amount of credit to be allowed to, or the additional special tax to be levied upon the land, as the case may be. In all cases, he shall give notice of such rectifications to the parties interested.

SEC. 54. Payment of special levy.—All sums due from any landowner or owners as payment of special levy shall be payable to the provincial or city treasurer or his deputy in the same manner as the annual ordinary tax levied upon real property, in accordance with the provisions of the preceding sections, shall be subject to the same penalties for delinquency and be enforced by the same means as said annual ordinary tax; and all said sums together with any of said penalties shall, from the dates on which they were assessed, constitute special liens upon the land concerned and shall have preference over other liens there may be on said lands with the sole exception of the lien for non-payment of the ordinary real property tax.

SEC. 55. Special levy by the National Government.—The Secretary of Finance may, by Department Order issued for the purpose, provide for the imposition and collection of a special levy on lands especially benefited by public works projects financed by the National Government corresponding to a part not exceeding sixty percent of the costs thereof as certified by the Secretary of Public Works, Transportation and Communications, the proceeds of which shall accrue to the general fund of the National Government. The special levy shall be apportioned, computed, and assessed according to the assessed valuation of such lands as shown by the books of the assessor, or its current assessed value as fixed by said officer if the property does not appear of record in his books. The tax shall be collected by the local treasurers who shall remit their collections to the National Treasurer in accordance with the rules and regulations issued by the Secretary of Finance for the purpose of implementing this Section.

The Special levy herein authorized may within sixty days from the date of publication of the Department Order in the Official Gazette be protested with the Secretary of Finance and if not reconsidered or rescinded may thereafter be appealed to the proper court for decision.

CHAPTER VI.—Collection of Real Property Tax

SEC. 56. Date of accrual of tax.—The real property tax for any year shall attach and become due and payable on the first day of January and from the same date said tax and all penalties subsequently accruing thereto shall constitute a lien upon the property subject to such tax. Said lien shall be superior to all other liens, mortgages, or encumbrances of any kind whatsoever; shall be enforceable against the property whether in the possession of the delinquent or any subsequent owner or possessor, and shall be removable only by the payment of the delinquent taxes and penalties.

The real property tax on properties actually, directly, and exclusively used for educational purposes as provided under Presidential Decree No. 261 shall begin to accrue on January 1, 1975.

SEC. 57. Collection of tax to be the responsibility of treasurers.—The collection of the real property tax and all penalties accruing thereto, and the enforcement of the remedies provided for in this Code or any applicable laws, shall be the responsibility of the treasurer of the province, city or municipality where the property is situated.

SEC. 58. Assessor to furnish treasurer with assessment roll.—The provincial or city assessor shall prepare and submit to the treasurer of the province, city or municipality, on or before the thirty-first day of December of each year, an assessment roll containing a list of all persons to whom real properties have been newly assessed or reassessed and the value of such taxable properties.

SEC. 59. Notice of time for collection of tax.—The provincial or city treasurer shall, on or before the thirty-first of January each year, cause notice of the periods during which real property tax may be paid without penalty in their respective jurisdiction to be posted at the main entrance of the provincial building or city hall and of all municipal buildings and in a public conspicuous place in each barrio, and published in a newspaper and announced by crier at least three times.

The form and detail of the notice shall be prescribed by the Secretary of Finance: Provided, however, That in lieu

of or in addition to such notice, the Secretary of Finance may require notification in any province, municipality, or city to be accomplished through the mailing of individual tax bills which shall state the exact amount of the annual tax due, the amount of quarterly installment, its due date, the delinquency, and the applicable penalty.

SEC. 60. Payment of real property taxes in installments. —Real property taxes may, in the discretion of the taxpayer, be paid without penalty in four equal installments; the first installment to be due and payable on or before March thirty-first; the second installment, on or before June thirty; the third installment, on or before September thirty; and the last installment, on or before December thirty-first, except the special levies authorized under Sections forty-seven and fifty-five of this Code which shall be governed by the local ordinance or Department Order issued by the Secretary of Finance, as the case may be.

Any person who is in any provincial, city or municipal treasurer office on the last day of any period established for the payment of the real property tax without penalty, ready and prepared to pay but is unable to do so because of the great number of taxpayers, shall be given a suitable card entitling him to pay the tax without penalty on the next business day.

SEC. 61. Tax discount.—If the basic and additional real property tax levied for the Special Education Fund or any quarterly installment thereof is paid in full within the prescribed period of payment, the taxpayer shall be granted a discount on the tax due as follows: twenty per cent on the tax due and payable during the year 1974; fifteen per cent on the tax due and payable during the year 1975; ten per cent on the tax due and payable during the year 1976; and five per cent on the tax due and payable during the year 1977; Provided, however, That the tax discount herein authorized shall apply only to lands and not to improvements; Provided, further, That only lands without any delinquency shall be granted the same; and Provided, finally, That the discounted tax shall not be lower than the tax corresponding to the next preceding tax year.

Beginning with the calendar year 1978 and thereafter, the President of the Philippines may, at his discretion or upon recommendation of the Secretary of Finance, authorize the grant of discounts on taxes due on real property at such rates and for such periods as he may fix, if he deems that the public interest so requires.

SEC. 62. Payment under protest.— (a) When a taxpayer desires for any reason to pay his tax under protest, he shall indicate the amount or portion thereof he is contesting and such protest shall be annotated on the tax receipts by writing thereon the words "paid under protest". Verbal protests shall be confirmed in writing, with a statement of the ground, therefor, within thirty days. The tax may be paid under protest, and in such case it shall be the duty of the Provincial, City or Municipal Treasurers to annotate the ground or grounds therefor on the receipt.

- In case of payments made under protest the amount or portion of the tax contested shall be held in trust by the treasury and the difference shall be treated as revenue

- In the event that the protest is finally decided in favor of the government, the amount or portion of the treasurer and the difference shall be treated as revenue.

- In the event that the protest is finally decided in favor of the government, the amount or portion of the tax held in trust by the treasurer shall accrue to the revenue account, but the protest shall be decided finally in favor of the protestant, the amount or portion of the tax protested against may either be refunded to the protestant or applied as tax credit to any other existing or future tax liability of the said protestant.

SEC. 63. Repayment of excessive collections.—When it appears that an assessment of real property was erroneous and unjust when made and the same is reduced because of such error or injustice, and not by reason of damage incurred or deterioration suffered by such property subsequent to the date of original assessment, the taxpayer shall be entitled to the proper refund for taxes and penalties paid by him for not more than three years.

Timely notice shall be given by the Provincial or City Treasurer to every taxpayer whose assessment is so reduced and he shall be furnished a certificate showing the amount or refund to which he is entitled for payment already made.

SEC. 64. Restriction upon power of court to impeach tax. —No court shall entertain any suit assailing the validity of a tax assessed under this Code until the taxpayer shall have paid, under protest the tax assessed against him nor shall any court declare any tax invalid by reason of irregularities or informalities in the proceedings of the officers charged with the assessment or collection of taxes, or of failure to perform their duties within this time herein specified for their performance unless such irregularities, informalities or failure shall have impaired the substantial rights of the taxpayer; nor shall any court declare any portion of the tax assessed under the provisions of this Code invalid except upon condition that the taxpayer shall pay the just amount of the tax, as determined by the court in the pending proceeding.

SEC. 65. Notice of delinquency in the payment of the real property tax.—Upon the real property tax or any installment thereof becoming delinquent, the provincial or city treasurer shall immediately cause notice of that fact to be posted at the main entrance of the provincial building and of all main entrance of the provincial building and of all municipal buildings or municipal or city hall and in a public and conspicuous place in each barrio of the municipality of the province or city as the case may be. The notice of delinquency shall also be published once a week for three consecutive weeks, in a newspaper of general circulation in the province or city, if any there be, and announced by a crier at the market place for at least three market days. Such notice shall specify the date upon which the tax became delinquent, and shall state that personal property may be seized to effect payment. It shall also state that, at any time, before the seizure of personal property, payment may be made with penalty in accordance with the next following section, and further, that unless the tax and penalties be paid before the expiration of the year for which the tax is due, or the tax shall have been judicially set aside, the entire delinquent real property will be sold at public auction, and that thereafter the full title to the property will be and remain with the purchaser, subject only to the right of the delinquent taxpayer or any other person in his behalf to redeem the sold property within one year from the date of sale.

SEC. 66. Penalty for delinquency.—Failure to pay the real property tax before the expiration of the period for the payment without penalty of the quarterly installments thereof shall subject the taxpayer to the payment of a penalty of two per centum on the amount of the delinquent tax for each month of delinquency or fraction thereof, until the delinquent tax shall be fully paid: Provided, That in no case shall the total penalty exceed twenty-four per centum of the delinquent tax. The rate of penalty for tax delinquency fixed herein shall be uniformly applied in all provinces and cities.

SEC. 67. Remedies cumulative, simultaneous and unconditional.—Collection of the real property tax may be enforced through any or all of the remedies provided under this Code, and the use or non-use of one remedy shall not be a bar against the institution of the others. Formal demand for the payment of the delinquent taxes and penalties due need not be made before any of such remedies may be resorted to; notice of delinquency as required in Section sixty-five hereof shall be sufficient for the purpose.

SEC. 68. Distraint of personal property for delinquency.— After delinquency in the payment of the real property tax for the year has occurred, payment of such tax may be enforced by distraining the personal property including the crops growing on land of the delinquent taxpayer. In such case, the provincial or city treasurer or his deputy shall issue a duly authenticated certificate, based upon the records of his office, showing the fact of delinquency and the amount of tax and penalty due, and this shall be sufficient warrant for the seizure of any non-exempt personal property belonging to the delinquent taxpayer in question. Such process may be executed by the provincial or city treasurer, his deputy, or any officer authorized to execute legal process.

SEC. 69. Personal property exempt from distraint or levy.—The following property shall be exempt from distraint and the levy of attachment or execution for delinquency in the payment of the real property tax:

- Tools and the implements necessarily used by the delinquent taxpayer in his trade or employment.
- One horse, cow, carabao, or other beast of burden, such as the delinquent taxpayer may select, and necessarily used by him in his ordinary occupation.
- His necessary clothing, and that of all his family.
- Household furniture and utensils necessary for housekeeping, and used for that purpose by the delinquent taxpayers, such as he may select, of a value not exceeding three thousand pesos.
- Provisions, including crops, actually provided for individual or family use sufficient for four months.
- The professional libraries of lawyers, judges, clergymen, doctors, school teachers, and music teachers, not exceeding five thousand pesos in value.
- One fishing boat and net, not exceeding the total value of five thousand pesos, the property of any fisherman, by the lawful use of which he earns a livelihood.
- Any material or article forming part of a house or improvement of any real property.

SEC. 70. Sale of distrained personal property.—Property seized upon process under Section sixty-eight hereof shall, after due advertisement, be exposed for sale at public auction to the bidder, and so much of the property shall be thus sold as may be necessary to satisfy the tax, penalty, and cost of the seizure and sale. The purchaser at such sale shall acquire an indefeasible title to the property.

Advertisement in such cases shall be given by notice stating the name of the owner of the property to be sold, date, time, place and cause of the sale, posted for twenty days before the date of the auction at the main entrance of the city or municipal hall, or municipal building, and at a public and conspicuous place in the barrio or street where the property was seized, and announced by crier at the market place at least three market days before the auction sale.

The sale shall take place, in the discretion of the provincial or city treasurer or his deputy, either at the main entrance of the municipal building or city or municipal hall or at the place where the property was seized. If no satisfactory bid or no bid at all is received in the place mentioned, the distrained property may be sold anywhere in the province or city at public auction, after the advertisement and due notice to the owner of the property.

SEC. 71. Redemption of distrained property.—The owner of personal property seized for non-payment of taxes may redeem the same property from the collecting officer at any time after seizure and before sale by tendering to him the amount of the tax, penalty and costs incurred up to the time of tender. The costs to be charged in making such seizure and sale shall only embrace the actual expenses of seizure and preservation of the property pending the same, but no charges shall be imposed for the services of the collecting officer or his deputy.

SEC. 72. Return of officer and disposition of proceeds.—The officer conducting a sale under Section seventy hereof shall make immediate return of his proceedings and a memorandum thereof shall be entered by the provincial or city treasurer in his records. The excess, if any, of the proceeds of the sale of the distrained personal property over the tax, penalty and costs of sale and seizure and any of the property remaining unsold in the hands of the officer, shall be returned to the taxpayer.

SEC. 73. Advertisement of sale of real property at public auction.—After the expiration of the year for which the tax is due, the provincial or city treasurer shall advertise the sale at public auction of the entire delinquent real

property, except real property mentioned in subsection (a) of Section forty hereof, to satisfy all the taxes and penalties due and the costs of sale. Such advertisement shall be made by posting a notice for three consecutive weeks at the main entrance of the provincial building and of all municipal buildings in the province, or at the main entrance of the city or municipal hall in the case of cities, and in a public and conspicuous place in barrio or district wherein the property is situated, in English, Spanish and the local dialect commonly used, and by announcement at least three market days at the market by crier, and, in the discretion of the provincial or city treasurer, by publication once a week for three consecutive weeks in a newspaper of general circulation published in the province or city.

The notice, publication, and announcement by crier shall state the amount of the taxes, penalties and costs of sale; the date, hour, and place of sale, the name of the taxpayer against whom the tax is assessed; and the kind or nature of property and, if land, its approximate areas, lot number, and location stating the street and block number, district or barrio, municipality and the province or city where the property to be sold is situated.

Copy of the notice shall forthwith be sent either by registered mail or by messenger, or through the barrio captain, to the delinquent taxpayer, at his address as shown in the tax rolls or property tax record cards of the municipality or city where the property is located, or at his residence, if known to said treasurer or barrio captain: Provided, however, That a return of the proof of service under oath shall be filed by the person making the service with the provincial or city treasurer concerned.

SEC. 74. Stay of sale of real property.—At any time during or before the sale the taxpayers may stay all proceedings by paying the taxes and penalties due on the real property up to the time of tender and costs to the provincial or city treasurer or his deputy conducting the sale.

SEC. 75. Discretion of provincial or city treasurer to buy real property in behalf of province or city.—In case there is no bidder at the public auction of the delinquent real property, or if the highest bid is for an amount not sufficient to pay the taxes, penalties and costs of sale, the provincial or city treasurer may, in his discretion, buy the delinquent real property in the name of the province or city for the amount of taxes, penalties due thereon, and the costs of sale.

SEC. 76. Certificate of sale to be issued purchaser, province or city.—The purchaser at public auction of delinquent property shall receive from the provincial or city treasurer, or his deputy, a certificate setting forth the proceedings had at the sale, a description of the property sold, the name of the purchaser, the sale price, as well as the exact amount of the taxes and penalties due and the costs of sale. The person in whose name the property is listed and assessed shall be furnished with a copy of the sale certificate.

SEC. 77. Report of sale to provincial or municipal board or city council.—The provincial or city treasurer or his deputy shall make a report to the provincial or municipal board or city council of the sale within thirty days thereafter, and shall make the same appear in his records.

SEC. 78. Redemption of real property after sale.—Within the term of one year from the date of the registration of sale of the property, the delinquent taxpayer or his representative, or in his absence, any person holding a lien or claim over the property, shall have the right to redeem the same by paying the provincial or city treasurer or his deputy the total amount of taxes and penalties due up to the date of redemption, the costs of sale and the interest at the rate of twenty per centum, on the purchase price, and such payment shall invalidate the sale certificate issued to the purchaser and shall entitle the person making the same to a certificate from the provincial or city treasurer or his deputy, stating that he had redeemed the property.

The provincial or city treasurer or his deputy shall, upon surrender by the purchaser of the certificate of sale

previously issued to him, forthwith return to the latter the entire purchase price paid by him plus the interest at twenty per centum per annum herein provided for, the portion of the cost of sale and other legitimate expenses incurred by him, and said property shall thereafter be free from the lien of said taxes and penalties.

SEC. 79. Possession and usufruct of real property with-in one year from date of sale.—After the sale and before redemption, or before the expiration of the term of one year fixed in Section seventy-eight hereof for such redemption, the real property shall remain in the possession of the delinquent taxpayer, who shall have the right to the usufruct thereof.

SEC. 80. Issuance of final bill of sale.—In case the delinquent taxpayer or his representative, or any person holding a lien or claim over the property, fails to redeem the same within the period of one year from the date of sale as provided in Section seventy-eight hereof, the provincial or city treasurer shall make an instrument sufficient in form and effect to convey to the purchaser the property purchased by him, free from any encumbrance or third party claim whatsoever, and the said instrument shall succinctly set forth all proceedings upon which the validity of the sale depends. Any balance of the proceeds of the sale left after deducting the amount of the taxes and penalties due and the costs of sale, shall be returned to the owner or his representative.

SEC. 81. Disposition of real property acquired by province or city,—The provincial or city treasurer shall have charge of the delinquent real property acquired by the province or city under the provisions of Section seventy-five during which time the delinquent taxpayer shall have possession and usufruct of such property in accordance with Section seventy-nine hereof. Said treasurer shall take steps within one year from the date of issuance of final bill of sale to dispose of the delinquent real property at public auction; but at any time before the auction sale, any person in his own right may repurchase such property by paying the total amount of the taxes and penalties due up to the time of repurchase, the costs of sale, and other legitimate expenses incurred by the province or city with respect to the property, and an additional penalty of twenty per cent on the purchase price: Provided, however, That any such repurchase at or before auction sale shall be subject to the right of the delinquent taxpayer or his representative or any person holding lien or claim over the property to further redeem said property within one year from the date of acquisition by the province or city, in the manner provided in Section seventy-eight hereof: and Provided, further, That if the treasurer has entered into a contract for the lease of the property in the meantime, any repurchase made hereunder shall be subject to such contract.

SEC. 82. Collection of real property tax through the courts.—The delinquent real property tax shall constitute a lawful indebtedness of the taxpayer to the province or city and collection of the tax may be enforced by civil action in any court of competent jurisdiction. The civil action shall be filed by the Provincial or City Fiscal within fifteen days after receipt of the statement of delinquent certified to by the provincial or city treasurer. This remedy shall be in addition to all other remedies provided by law.

SEC. 83. Suits assailing validity of tax sale.—No Court shall entertain any suit assailing the validity of a tax sale of real estate under this Chapter until the taxpayer shall have paid into court the amount for which the real property was sold, together with interests of twenty per centum per annum upon that sum from the date of sale to the time of instituting suit. The money so paid into court shall belong to the purchaser at the tax sale if the deed is declared invalid, but shall be returned to the depositor if the action fails.

Neither shall any court declare a sale invalid by reason of irregularities or informalities in the proceedings committed by the officer charged with the duty of making sale, or by reason of failure by him to perform his duties within the time herein specified for their performance, unless it shall have been proven that such irregularities, informalities or failure have impaired the substantial rights of the taxpayer.

SEC. 84. Payment of delinquent taxes on property subject of controversy.—In any suit involving the ownership or

possession of, or succession to, real property, the court shall, on its own motion or upon representation of this provincial, city or municipal treasurer or his deputy, condition the award of such ownership, possession or succession to any party to the controversy upon the payment to the court of the taxes and penalties due on the property and all the costs that may have accrued to the treasurer by reason of his representation.

SEC. 85. Treasurer to certify delinquencies remaining uncollected.—The provincial, city or municipal treasurer shall prepare a certified list of all real property tax delinquencies remaining uncollected or unsatisfied for at least one year in his jurisdiction, and a statement of the reason or reasons for such non-collection or non-satisfaction, and shall submit the same to the Secretary of Finance on or before December thirty-first of the year immediately succeeding that in which the delinquencies have occurred with a request for assistance in the enforcement of the remedies for collection provided hereunder.

CHAPTER VII.—Disposition of Proceeds

SEC. 86. Distribution of proceeds.—(a) The proceeds of the real property tax, except as otherwise provided in this Code, shall accrue to the province, city or municipality where the property subject to the tax is situated and shall be applied by the respective local government unit for its own use and benefit.

- Barrio shares in real property tax collections. The annual shares of the barrios in real property tax collections shall be as follows:

- Five per cent of the real property tax collections of the province and another five percent of the collections of the municipality shall accrue to the barrio where the property subject to the tax is situated.

- In the case of the city, ten per cent of the collections of the tax shall likewise accrue to the barrio where the property is situated.

Thirty per cent of the barrio shares herein referred to may be spent for salaries or per diems of the barrio officials and other administrative expenses, while the remaining seventy per cent shall be utilized for development projects approved by the Secretary of Local Government and Community Development or by such committee created, or representatives designated by him.

SEC. 87. Application of proceeds.— (a) The proceeds of the real property tax pertaining to the city and to the municipality shall accrue entirely to their respective general funds. In the case of the province, one-fourth thereof shall accrue to its road and bridge fund and the remaining three-fourths, to its general fund.

- The entire proceeds of the additional one per cent real property tax levied for the Special Education Fund created under R.A. No. 5447 collected in the province or city on real property situated in their respective territorial jurisdictions shall be distributed as follows:

- Collections in the provinces: Fifty per cent shall accrue to the municipality where the property subject to the tax is situated; twenty per cent shall accrue to the province; and thirty per cent shall be remitted to the Treasurer of the Philippines to be expended exclusively for stabilizing the Special Education Fund in municipalities, cities and provinces in accordance with the provisions of Section seven of R.A. No. 5447.

- Collections in the cities: Sixty per cent shall be retained by the city; and forty per cent shall be remitted to the Treasurer of the Philippines to be expended exclusively for stabilizing the special education fund in municipalities, cities and provinces as provided under Section 7 of R.A. No. 5447.

However, any increase in the shares of provinces, cities and municipalities from said additional tax accruing to their respective local school boards commencing with fiscal year 1973-74 over what has been actually realized during the fiscal year 1971-72 which, for purposes of this Code, shall remain as the base year, shall be divided

equally between the general fund and the special education fund of the local government units concerned. The Secretary of Finance may, however, at his discretion, increase to not more than seventy-five per cent the amount that shall accrue annually to the local general fund.

- The proceeds of all delinquent taxes and penalties, as well as the income realized from the use, lease or other disposition of real property acquired by the province or city at a public auction in accordance with the provisions of this Code, and the proceeds of the sale of the delinquent real property or of the redemption thereof, shall accrue to the province, city or municipality in the same manner and proportion as if the tax or taxes had been paid in regular course.

- The proceeds of the additional real property tax on idle private lands shall accrue to the respective general funds of the province, city and municipality where the land subject to the tax is situated.

CHAPTER VIII.—Organization, Functions and Supervision

SEC. 88. Provincial or city assessor, his assistant and deputies and their appointments.—There shall be a distinct and separate assessment office in every province or city under the charge of a provincial or city assessor, who shall be appointed by the President of the Philippines in the manner prescribed by law. The position of provincial or city assessor shall belong to the competitive service and its salary shall be as fixed by law.

There shall be an Assistant Provincial or City Assessor in each assessment office, who shall be appointed by the provincial or city assessor in conformity with the provisions of the Civil Service Law, subject to the approval of the Secretary of Finance. The salaries of the Assistant Provincial or City Assessor shall likewise be as fixed by law.

Upon the approval of this Code no person shall be appointed to the position of provincial or city assessor, or the position of assistant provincial or city assessor, unless he possesses a degree in law, civil or mechanical engineering, commerce, or any other related college course, has qualified in an appropriate Civil Service examination, and has acquired at least five years experience in real property assessment work. For every year lacking in educational attainment, a two-year experience in assessment work in addition to the foregoing five-year requirement may be substituted: Provided, That he shall have completed at least two years of any of the College Courses aforementioned.

Upon the effectivity of this Code, vacant positions of provincial and city assessors and of assistant provincial and city assessors shall be filled in accordance with the provisions of this Section.

The other employees in the assessment office, whose number and salaries shall be fixed by the provincial Board or Municipal Board or City Council, shall be appointed by the Provincial Governor or City Mayor upon recommendation of the provincial or city assessor, in conformity with the provisions of the Civil Service Law: Provided, That there shall be in each provincial or city assessment office at least three deputy assessors to perform full-time field assessment work. Any person with at least two years college education and two years experience in assessment work and who possesses an appropriate civil service eligibility shall be deemed qualified for appointment as a deputy assessor.

The oath of office of provincial or city assessors and assistant provincial or city assessors shall contain a statement to the effect that the affiant shall appraise real property subject to assessment at its current market value in accordance with this Code.

SEC. 89. Powers and duties of provincial or city assessor.—The provincial or city assessor shall:

- Establish a systematic method of assessment in the manner prescribed herein and in accordance with rules and

regulations issued by the Secretary of Finance.

- Install and maintain a real property identification and accounting system conforming to the standards prescribed by the Secretary of Finance.
- Prepare, install and maintain a system of tax mapping showing graphically all property subject to assessment in his province or city and gather all necessary data concerning the same.
- Make frequent physical surveys to check and determine whether all real property within the locality are properly listed in the assessment rolls.
- Appraise all items of real property at current market value in accordance with this Code and conduct regular ocular inspection trips to determine if all properties are assessed correctly.
- Keep a record of all transfers, leases and mortgages of real property, rentals, insurance, and cost of construction of building and other improvements on land, and land income for assessment purposes.
- Apply uniformly the assessment levels fixed in Section twenty hereof to the current market value of all property subject to assessment.
- Cancel all of the assessments, in case several assessments are made for the same property, except the one properly made, but if any assessee or his representative shall object to the cancellation of the assessment made in his name, such assessment shall not be cancelled but the fact shall be noted on the tax declaration and assessment rolls and other property books of record. Preference, however, shall be given to the assessment of the person who has the best title to the property, or in default thereof, of the person who has possession of the property.
- Eliminate from the assessment roll of taxable property such properties which have been destroyed or which, being exempt, have been improperly included in the same; decrease the assessment where property previously assessed has suffered a permanent loss of value by reason of storm, flood, fire, or other calamity; and increase the assessment where improvement have been made upon the property subsequent to the last assessment.
- Attend personally or thru his duly authorized representative all sessions of the Local Board of Assessment Appeals and present any information or record in his possession as may be required by the Board in determining the correct assessment of the real property under appeal.
- Issue certificates pertaining to or certified copies of the assessment records of real property and all other records relative to its assessment, upon payment of a service charge or fee fixed therefor by the local board or council.
- Perform such other acts as may be required of the provincial or city assessor under this Code or other related laws.

SEC. 90. The Municipal Deputy Assessor.—There is hereby created in every municipality the position of municipal deputy assessor, who shall be appointed by the provincial assessor with the approval of the Secretary of Finance. The salary of the municipal deputy assessor shall be equal to the basic salary authorized by law for the municipal treasurer of the same municipality, one-third of the annual rate to be paid from the provincial general fund and two-thirds, from the municipal general fund. Within one year from the date of approval of this Code, the position of Municipal Deputy Assessor shall be created and provided for in the corresponding provincial and municipal budgets and filled in accordance with the provisions of this Section.

Any person with a bachelor's degree in law, civil or mechanical engineering, commerce or business administration, or any other related collegiate course and who possesses an appropriate civil service eligibility shall be deemed qualified for appointment as municipal deputy assessor. A two-year experience in assessment

work may be substituted for every year lacking in the educational requirement: Provided, however, That the appointee shall have completed at least two years of any of the college courses abovementioned.

The Municipal Deputy Assessor shall perform all the duties and functions related to the appraisal and assessment for taxation purposes of real property situated within the municipality under the direct and immediate supervision of the provincial assessor.

In municipalities belonging to the fourth class category or lower, the municipal treasurer may be appointed ex-officio deputy assessor by the provincial assessor upon recommendation of the provincial treasurer: Provided, however, That such municipal treasurer possesses the minimum qualification requirements prescribed herein: Provided, further, That no ex-officio appointment shall extend beyond twelve months from the date of issue unless renewed by the appointing authority; and Provided, finally, That the appointment of a municipal treasurer as ex-officio deputy assessor shall cease and be considered terminated upon the appointment of a regular municipal deputy assessor as herein provided.

A municipal treasurer appointed as ex-officio deputy assessor shall receive additional compensation equivalent to not more than twenty per cent of his basic salary payable by the municipality. In no case however shall his basic salary plus such additional compensation exceed the basic salary authorized for a municipal treasurer of the next higher class of municipality.

Municipal treasurers who at the time of approval of this Code are already appointed as ex-officio deputy assessors shall continue in such capacity until the appointment of a regular municipal deputy assessor in accordance with this Code.

SEC. 91. Supervision over local assessment offices.—The Secretary of Finance shall exercise direct executive supervision over local assessment affairs and the assessment offices of provincial, city and municipal governments and, for this purpose, there is hereby created a division in the Department of Finance which shall discharge all powers, duties and functions that may be deemed necessary in, or are pertinent to, the administration of the real property tax and the implementation of the provisions of this Code.

The head of this division shall in no case receive compensation and/or emoluments lower than those authorized for the regular division chiefs of the Department. Sufficient funds for the operation and maintenance of said division shall be included in the annual appropriations of the Department.

CHAPTER IX.—Special Provisions

SEC. 92. Basis for payment of just compensation in expropriation proceedings.—In determining just compensation when private property is acquired by the government for public use, the basis shall be the market value declared by the owner or administrator or anyone having legal interest in the property, or such market value as determined by the assessor, whichever is lower.

SEC. 93. Educational institutions exempt from the real property tax.—Non-stock or non-profit Educational institutions owning real property, the total assessed value of which does not exceed thirty thousand pesos, as well as Education Foundations organized under Republic Act No. 6055, shall be exempt from the payment of reality taxes provided for under this Code.

SEC. 94. Assessment revolving fund.—The sum of ten million pesos as hereby appropriated out of any funds in the National Treasury not otherwise appropriated to constitute a special fund to be known as the Assessment Revolving Fund to finance the periodic general revision of real property assessments in provinces and cities. Such fund shall be administered by the Secretary of Finance and shall be loaned without interest to provinces and cities

under such terms and conditions as he may impose.

SEC. 95. General assessment revision, expenses incident thereto.—Provincial, city and municipal boards or councils shall provide the necessary appropriations to underwrite or defray expenses incident to the general revision or real property assessments, using for the purpose any unappropriated balances in the general, road and bridge and/or permanent public improvement funds, or any underestimated revenues accruing thereto, or reversions of authorized appropriations in their respective budgets which are not otherwise urgently needed, any provision of existing laws to the contrary notwithstanding.

All expenses incident to a general revision of property assessments shall be divided equally between the province and the municipality.

CHAPTER X.—Miscellaneous Provisions

SEC. 96. Remission of tax by provincial or city board or council.—In case of a general failure of crops or great decrease in the price of products, or similar widespread disaster in any city or municipality or municipalities of a province, the provincial or city board or council of the same, by resolution passed prior to the first day of January of any year may remit, wholly or partially, the real property tax or the penalties thereon for the succeeding year in the city or municipality or municipalities affected by the disaster, but a resolution so disposing must clearly state the reason or reasons for such remission and shall not take effect until approved by the Secretary of Finance.

SEC. 97. Remission or reduction of tax by the President of the Philippines.—The President of the Philippines, may, in his discretion, remit or reduce the real property tax for any year in any city, municipality or province if he deems that public interest so requires.

SEC. 98. Duty of officers to assist the provincial or city assessor.—It shall be the duty of every officer and employee of the provincial, city and municipal governments to render all necessary assistance to the provincial or city assessor. It shall likewise be the duty of registers of deeds and notaries public to furnish the provincial or city assessors with copies of all contracts conveying, leasing, or mortgaging real property received by, or acknowledged before, them.

SEC. 99. Insurance companies to furnish information.— Insurance companies, whenever requested, shall furnish in each particular case to the provincial or city assessor copies of any contract or policy insurance on buildings, structures and improvements insured by them which may be necessary for the proper assessment thereof.

SEC. 100. Fees in court actions.—All court actions, criminal or civil, instituted at the instance of the provincial or city treasurer or assessor under the provisions of this Code, shall be exempt from the payment of court and sheriff's fees.

SEC. 101. Fees in registration of papers or documents on sale of delinquent real property to province or city.— All certificates, documents, or papers covering the sale of delinquent property to the province or city, if registered in the Registry of Property, shall be exempt from a registration fees.

SEC. 102. Promulgation of rules by the Secretary of Finance.—The Secretary of Finance shall promulgate the rules and regulations and prescribe the forms to be used and the procedures to be followed in carrying out properly and effectively the provisions of this Code.

SEC. 103. Real property assessment notices or owner's copies of tax declarations to be exempt from postal charges or fees.—All real property assessment notices or owner's copies of tax declarations sent part the mails by the assessor shall be exempt from the payment of postal charges or fees.

CHAPTER XI.—Penal Provisions

SEC. 104 Failure to file declaration and other prohibited, acts.—Any person required under the provisions of this Code to declare real property whether taxable or exempt; who shall intentionally fail to file such declaration under the terms and conditions prescribed therefor, shall upon conviction be punished by a fine of not more than one thousand pesos or by imprisonment of not more than one year or both at the discretion of the court.

The same penalty shall be imposed upon any person who shall intentionally file a false declaration, or shall otherwise conceal, remove or misrepresent the ownership, control, or tax liability or real property subject to a declaration.

If any of the acts abovementioned is committed in relation to property not exempt from taxation, the person convicted thereof shall, moreover, forfeit his right to appeal the assessment of such property.

SEC. 105. Acts committed in behalf of corporations— An individual who shall commit any of the violations penalized in the preceding section acting under the authority and in behalf of a corporation, partnership or association shall be punished by the fine and/or imprisonment therein provided, and the other liabilities shall attach to the corporation, partnership or association to whom the real property is required to be listed for purposes of taxation or exemption. The corporation, partnership or association, shall in addition, pay a fine of not less than two thousand pesos nor more than five thousand pesos at the discretion of the court.

SEC. 106. Omission of property from assessment or tax rolls by officers and other acts.—Any officer charged with the duty of assessing real property, who shall willfully fail to assess, or shall intentionally omit from the assessment or tax roll, any real property which he knows to be lawfully taxable or shall willfully or through gross negligence underassess any real property or shall intentionally violate or fail to perform any duty imposed upon him by law relating to the assessment of taxable real property, shall upon conviction be punished by a fine of not more than one thousand pesos or by imprisonment of not more than one year, or both, at the discretion of the court.

The same penalty shall be imposed upon any officer charged with the duty of collecting the tax due on real property who shall willfully fail to collect the tax and institute the necessary proceedings for the collection of the same.

Any other officer required by this Code to perform acts relating to the administration of the real property tax, or to assist the assessor or treasurer in such administration, who shall willfully fail to discharge such duties, shall upon conviction, be punished by a fine of not exceeding five hundred pesos or by imprisonment of not more than six months, or both, at the discretion of the court.

SEC. 107. Government agents delaying assessment of real property and assessment appeals.—Any government official who shall intentionally and deliberately delay the assessment of real property, or the filing of any appeal against its assessment, if such is patently indicated, shall, upon conviction, be punished by a fine of not more than five hundred pesos or by imprisonment of not more than one year, or both, at the discretion of the court.

SEC. 108. Violation of other provisions of this Code or of rules and regulations in general.—Any person who shall violate any provision of this Code or any rule or regulations of the Department of Finance made in conformity thereto, for which violation no specific penalty is provided by law, shall be punished by a fine of not more than three hundred pesos, or by imprisonment of not more than six months, or both, at the discretion of the court. In the case of a corporation, partnership, or association, the penalty shall be a fine of not less than two thousand pesos nor more than five thousand pesos at the discretion of the court.

CHAPTER XII.—Transitory Provisions

SEC. 109. Sale and forfeitures before effectivity of Code. —All sales and forfeitures of delinquent real properties and tax delinquencies existing before the effective date of this Code shall be governed by the provisions of laws then in force.

SEC. 110. Turn over of pending assessment cases, records, supplies and equipment of the Board of Assessment Appeals.—All assessment cases pending before the Board of Assessment Appeals created under Commonwealth Act No. 470 and the charters of all cities including all their records, supplies and equipment shall be turned over by its outgoing Chairman to the local Board of Assessment Appeals in their respective localities created under Presidential Decree No. 76, Such cases shall be decided pursuant to and in accordance with the provision of this Code.

SEC. 111. Revealing clause.—Commonwealth Act Numbered Four Hundred Seventy, as amended, the pertinent provisions of the chartered of all cities; Section two thousand ninety-two of the Revised Administrative Code; and all acts, laws or decrees or parts of acts, laws or decrees inconsistent with the provisions of this Code are hereby repealed or modified accordingly.

SEC. 112. Effectivity of Code.—This Code shall take effect on June 1, 1974.

Done in the City of Manila, this 20th day of May, in the year of Our Lord nineteen hundred and seventy-four.

(Sgd.)

FERDINAND E. MARCOS

President of the Philippines

By the President:

(Sgd.)

ALEJANDRO MELCHOR

Executive Secretary

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