

AMENDING SECTIONS SIX; TWENTY, PARAGRAPH (d) AND THE LAST PARAGRAPH THEREOF; TWENTY-ONE; FORTY, PARAGRAPH (d) AND FORTY-ONE OF PRESIDENTIAL DECREE NUMBERED FOUR HUNDRED AND SIXTY...

PRESIDENTIAL DECREE NO. 1621, April 19, 1979

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WHEREAS, it is general to policy to establish a real property tax structure that would incorporate the most realistic and fair property values that could derived form prevailing market conditions and other relevant factors;

WHEREAS, under existing law, a general revision of property assessments for taxation purposes is conducted only once in every five years, and owing to the rapid pace of urban development, market values of real property tend to rise abruptly before the next general revision period due to the salutary effects of completed infrastructure and other socio-economic projects;

WHEREAS, a realistic and equitable system of real property taxation necessarily includes the grant of measures that will ease the tax burden whenever found imperative, giving due and particular consideration to the paying capacity of the low-and middle-income groups, as well as those devoting the use of real property only for non-profit recreational purposes;

WHEREAS, in order to meet readily the urgent requirements of changing economic conditions, there is a need to provide the Minister of Finance with authority to formulate and prescribe the appropriate remedial measures;

WHEREAS, to attain the foregoing purposes, it is necessary to amend certain provisions of Presidential Decree No. 464 as amended, known as the Real Property Tax Code, and to add new provisions therein;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the power in me vested by the Constitution, do hereby decree and order to form part of the laws of the land, the following:

SECTION 1. Conduct of a General Revision of Real Property Assessments for Taxation Purposes Once in Every Three Years. – (a) In order to minimize the occurrence of abrupt increases in real property valuations for taxation purposes caused by the lengthy period of five years, intervening between general revision period, Section 21 of Presidential Decree No. 464 as amended, is hereby amended to read as follows:

“SEC. 21. General Revision of Assessments Once in Every Three Years. – Beginning July 1, 1981 to June 31, 1982, the provincial or city property assessments in the province or city to take effect on January 1, 1983, and once every three 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 Minister of Finance or upon his discretion, undertake a general revision of assessments in the province or city, or in any municipality before the third year from the effectivity of the last general revision.”

(b) In order to align the provisions of Section 6 of PD 464, as amended, with the provisions of paragraph (a) above the same is hereby amended to read as follows:

“SEC. 6. Declaration of Real Property by Owner or Administration. – 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 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 filled with the assessor concerned once every three years during the period from January first to June thirtieth commencing with the calendar year 1980, unless required earlier by the Minister of Finance.”

(c) To conform with the foregoing amendments in paragraphs (a) and (b) above, the last paragraph of Section 20 of PD 464, as amended, is hereby further amended to read as follows:

“SEC. 20 Assessment Level. – x x x.

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

SEC. 2. Increasing the amount of exemption under paragraph (d), Section 40 of PD 464, as amended. – Section 40, paragraph (d) of PD 464, as amended, is hereby amended to read as follows:

“SEC. 40. Exemptions from Real Property Tax. – The exemptions shall be follows:

“(d) Real property in any one city or municipality belonging to a single owner, the entire assessed valuation of which is not excess of one thousand pesos; Provided, however, That the property so exempt shall be assessed and records thereof kept as in order cases.

SEC. 3. Increasing the amount of exemption from the additional one per cent tax for Special Education Fund. – Section 41 of Presidential Decree No. 464, as amended, is hereby amended to read as follows:

“SEC. 41. An additional one per cent tax on real property for the Special 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 basic real property tax which local governments are authorized to levy, assess, and collect under this Code; Provided, however, That the first five thousand pesos of the entire total assessed valuation of real property situated in a municipality or city assessable to any person shall be exempt from the additional one per cent tax herein imposed.”

SEC. 4. Reducing the Assessment Level of the Special Class of Real Properties Used for Recreational Purposes from Thirty Per Cent to Fifteen per cent of the Market Value thereof Paragraph (d) of Section 20 of Presidential Decree No. 464, as amended, is hereby amended to read as follows:

“(d) Special Classes. – The assessment level for all lands, buildings and other improvements thereon, actually, directly and exclusively used for educational, cultural, scientific or recreational purposes, as well as hospitals not owned or operated by the government or by any of its instrumentalities shall be fifteen per cent (15%) of the Markey value of such properties. The special class of real properties used for recreational purposes herein referred to shall apply only to such properties which are owned by sports or athletic clubs or such other recreational organizations not operated primarily for profit.”

SEC. 5. There is hereby inserted after Section 97 of PD 464, as amended, a new section to be designated as Section 97-A, which shall read as follows:

“SEC. 97-A. Grant of Special Authority to Minister of Finance. – Whenever public interest shall so require, or

in special cases of economic dislocation or imbalance arising from natural calamities, the Minister of Finance shall, upon direction or approval of the President of the Philippines, formulate and prescribe a scheme of graduated realty tax payments and/or a system of equalizing real property valuations for taxation purposes, or such remedial measures that would ease the tax burden, subject to such conditions and requirements as may be deemed necessary.”

SEC. 6. Repealing Clause. – All laws, decrees, orders, rules and regulations which are contrary to, or inconsistent with, the provisions of this Decree are hereby repealed or modified accordingly.

SEC. 7. Implement Rules. – The Minister of Finance shall issue the rules and regulations for the proper implementation of this Decree.

SEC. 8. Effectivity. – Except as otherwise herein provided for, this Decree shall take effect immediately.

Done in the City of Manila, this 19th day of April, in the year of Our Lord, nineteen hundred and seventy-nine.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JUAN C. TUVERA
Presidential Assistant

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