

AMENDING SECTIONS 216 AND 220-A OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED, TO INCREASE THE VALUE OF THE MERCHANDISE OR SERVICE RENDERED WHERE ISSUANCE OF INVOICES OR REC...

PRESIDENTIAL DECREE NO. 1942, June 27, 1984

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WHEREAS, the present law in Sec. 216 of the National internal Revenue Code, requires the issuance of sales invoices and receipts for merchandise or services worth five pesos (P5.00) or more, subject to the imposition of fine and imprisonment in case of violation, under Sec. 220-A thereof;

WHEREAS, considering the depreciation of the currency, said requirement has now become obsolete coupled with the fact that the penalty prescribed is quite stiff;

WHEREAS, in order to encourage cooperation of taxpayers thru voluntary tax compliance, it is deemed fit and proper to change the present requirement so as to increase the mandatory amount to a more realistic level as well as to modify the existing penalties for violation;

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

SECTION 1. Section 216 of the National Internal Revenue Code is amended to read as follows:

"SEC. 216. Persons subject to tax to issue receipts or sales or commercial invoices; contents of registered receipts or invoices.—All persons subject to an internal revenue tax shall, for each sale or transfer of merchandise or for services rendered valued at twenty five pesos or more, issue duly registered receipts or sales or commercial invoices, prepared at least in duplicate, showing the date of transaction, quantity, unit cost and description of merchandise or nature of service; Provided, that in the case of sales, receipts of transfers in the amount of one hundred pesos or more, or regardless of amount, where the sale or transfer is made by producers, manufacturers, importers, wholesalers, or, where the receipt is issued to cover payment made as rentals, commissions, compensations or fees, the receipts or invoices shall further show the name, business style, if any, and address of the purchaser, customer, or client. The original of each receipt or invoice shall be issued to the purchaser, customer or client at the time the transaction is effected, who, if engaged in business or in the exercise of profession, shall keep and preserve the same in his place of business for a period of five years from the date of the invoice or receipt, while the duplicate shall be kept and preserved by the issuer, also in his place of business, for a like period: Provided, that persons subject to tax, whose gross sales, earnings or receipts during the last preceding year exceed thirty thousand pesos shall, for each sale or transaction, issue a receipt or an invoice, irrespective of the value of the article sold or service rendered.

The Commissioner of Internal Revenue may, in meritorious cases, exempt any person subject to an internal revenue tax from compliance with the provisions of this section. In any event, market vendors selling exclusively domestic meat, fruits, vegetables, games, poultry, fish and other food products are hereby exempted from the provisions of this section.

The provisions of this section, together with the penal provisions in Presidential Decree No. 1254, shall be posted in a prominent place in the establishment covered by the requirement thereof."

SEC. 2. Section 220-A of the National Internal Revenue Code is amended to read as follows:

"SEC. 220-A. Failure or refusal to issue receipts or sales or commercial invoices; violations related to the printing of such receipts or invoices and other violations..-Any person who, being required under Section 216 to issue receipts or sales or commercial invoices, fails or refuses to issue such receipts or invoices, issues receipts or invoices that do not truly reflect and/or contain all the information required to be shown therein possesses or uses unregistered receipts or invoices,' possesses or uses multiple or double receipts or invoices shall be penalized as follows:

- For the First Offense-A fine of not less than one thousand pesos but not more than two thousand pesos or imprisonment of not more than six months;
- For the Second Offense—A fine of not less than two thousand pesos but not more than three thousand pesos or imprisonment of not less than six months but not more than three years;
- For Subsequent Offenses—A fine of not less than three thousand pesos nor more than six thousand pesos or imprisonment of not less than three years but not more than six years, and cancellation of license to do business.

The criminal liability arising from third and subsequent offenses cannot be compromised.

"Any person who commits any of the acts enumerated hereunder shall be penalized in the same manner and to the same extent as provided for in this Section:

"1. Prints, causes, aids or abets the printing of receipts or sales or commercial invoices without authority from the Bureau of Internal Revenue;

"2. Prints, causes, aids or abets the printing of double or multiple sets of invoices or receipts;

"3. Prints, causes, aids, or abets the printing of unnumbered receipts or sales or commercial invoices or not bearing the name, business style, taxpayer account number, and business address of the person or entity to use the same;

"4. Fails to submit the quarterly report required in Section 216-A.

IN THE CASE OF THIRD AND SUBSEQUENT OFFENSES, if the offender is not a citizen of the Philippines, he shall be deported immediately after serving the sentence without further proceedings for deportation. If he is a public officer or employee, he shall, in addition to the penalties prescribed herein, be dismissed from the public service and perpetually disqualified from holding any public office. In the case of associations, partnerships, or corporations, the penalty shall be imposed upon its partners, president, general-manager, branch manager and/or office-in-charge as well as the employee responsible for the violation.

"In any case, the employer shall be liable for the act or omission of the employee.

" A professional found guilty of any of the violations penalized under the provisions of this Section shall, aside from being meted the penalties therein imposed, be reported to the Professional Regulation Commission or the proper regulatory body for disciplinary action which may include suspension or absolute revocation of his license to practice his profession."

SEC. 3. All laws, rules and regulations inconsistent herewith are hereby repealed or amended accordingly.

SEC. 4. This law shall take effect immediately.

Done in the City of Manila, this 27th day of June in the Year of Our Lord, nineteen hundred and eighty-four.

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