# LEVYING A SURTAX ON EXTRAORDINARY GAINS REALIZED BY OIL COMPANIES FROM PETROLEUM PRODUCTS.

*PRESIDENTIAL DECREE NO. 1888, October 17, 1983*

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WHEREAS, the immediate price increases on the whole range of refined or blended petroleum productions have brought about extraordinary gains for oil companies on account of the sale at higher prices of finished products, processed from crude oil and other base stocks, purchased or acquired by them before the price adjustment; and

WHEREAS, a part of such extraordinary and "unearned" gains should be utilized for the benefit of a greater number of our people.

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

SECTION 1. Surtax on Extraordinary Gains; Rate of Surtax. — In addition to the income tax imposed under Title II of the National Internal Revenue Code, there is hereby imposed a surtax of sixty-five (65%) per cent on extra-ordinary gains realized by oil companies as a result of price increases authorized for petroleum products; which surtax shall be allowed as part of the cost of petroleum product sold on or after November 3, 1983.

SEC. 2. Computation of Extraordinary Gains. — The extraordinary gains shall be measured by the difference between the approved wholesale posted prices of refined petroleum products immediately before the authorized price increases and the new posted prices multiplied by the number of units of petroleum products existing as of the day of effectivity of the price increases. Extraordinary gains shall also refer to the aggregate increases in the value of crude oil and base stocks.

SEC. 3. Time, Manner and Place of Payment. — The surtax herein imposed shall be paid within thirty (30) days following the promulgation of this Decree. The rules and regulations authorized under Section 5 hereof may provide for installment payments.

A return shall be filed at the time of payment with the Commissioner of Internal Revenue.

SEC. 4. Penalties. — Failure to pay the tax and to file the corresponding tax return as hereinabove specified, as well as any other violations of this Decree, shall be subject to surcharges, interests and penalties provided under Title II of the National Internal Revenue Code.

SEC. 5. Rules and Regulations. — The Minister of Finance upon recommendation of the Commissioner of Internal Revenue and in consultation with the Minister of Energy shall promulgate rules and regulations to implement the provisions of this Decree.

SEC. 6. Repealing Clause. — All acts, decrees, executive and administrative orders and other issuances which are inconsistent herewith, are hereby repealed or modified accordingly.

SEC. 7. Effectivity. — This Decree shall take effect immediately.

DONE in the City of Manila, this 17th day of October, nineteen hundred and eighty-three.



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

By the President:

(SGD.) JUAN C. TUVERA
Presidential Executive Assistant


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