

## PEOPLE OF THE PHILIPPINES, PETITIONER, VS. SIMEONA MARTIN AND HERMIN ARCEO, RESPONDENTS.

*G.R. No. L-38019. May 16, 1980*

Ponente: DE CASTRO, J.

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### DE CASTRO, J.:

Hermin E. Arceo and Simeona Martin, private respondents herein, were charged in the Court of First Instance of Rizal in an information[1] which reads as follows:

"That on or about the 5th day of April 1972, in the municipalities of Bocaue and Guiguinto, province of Bulacan, Philippines, and within the jurisdiction of this Honorable Court, the said accused Hermin E. Arceo and Simeona Martin, conspiring and confederating together and helping each other, did then and there wilfully, unlawfully and feloniously, have in their possession such false and counterfeit science stamps worth P90,080.00 for the purpose of using and selling the same in the payment of internal revenue tax, and in fact sold and offered for sale a part of the same, with intent of gain thus defrauding the government".

On motions to quash,[2] filed separately by the accused, but with the common ground that the facts charged do not constitute an offense, and over the opposition filed by the Fiscal[3] respondent judge, dismissed the case saying:

"As the Court sees it, this is a case of legislative omission. When Congress enacted Act 5448 it failed to punish the possession and utterance of counterfeit science stamp tax. Under the circumstances, the court mindful of the injunction that criminal statutes should be construed strictly, has no alternative but to dismiss the case."

In arriving at his conclusion, respondent judge expressed the opinion that the word "penalties" found in Sec. 4 of R. A. No. 5448 refers to "administrative" penalties, like administrative fines provided for in the National Internal Revenue Code (NIRC for short), basing this view on Sec. 5 of the same Act, which speaks of "taxes and penalties" which should be turned over by certain officials to the Treasurer of the Philippines.

Plainly, the resolution of the issue raised in this petition hinges on the interpretation of Sec. 4 of R. A. No. 5448 which reads:

"Section 4. Imposition of additional stamp taxes. - In addition to the documentary stamp taxes, imposed under Sections 211 to 235 of Commonwealth Act No. 466, as amended, otherwise known as the National Internal Revenue Code, there are hereby imposed science stamp taxes equal to one hundred per cent thereof except that in addition to the documentary stamp taxes on tax clearance certificates under Section 225 thereof, the science stamps shall be as follows: fifty pesos on each certificate for a first class passenger; thirty pesos on each certificate for a second or tourist class passenger; and five pesos on each certificate for a third-class or steerage passenger. xx xx xx xx.

"The tax imposed herein shall be collected at the same time, in the same manner and subject to the same penalties as the documentary stamp imposed under the National Internal Revenue Code, as amended."

As already stated, the respondent judge interpreted the word "penalties" in phrase "subject to the same penalties",

as administrative fines, not penalties imposed for a criminal offense, by a court of justice after proper criminal proceedings. In this sense, "penalties" would have reference to fines to be imposed in cases of improper or incorrect collection of the tax with respect to the amount and to the time of payment thereof, not as penalties imposed on acts considered as criminal offenses under the law.

In support of this interpretation, Sec. 9 of Republic Act 5448 is also cited with its heading: "Penal Provisions", the contention being that this is the only provision in said Act, imposing penalties for a criminal offense after proper judicial proceedings. It is thus contended, as so held by the respondent judge in his order complained of, that there is actually no provision in Republic Act 5448 punishing the acts of possession or use of counterfeit science stamps which are the criminal offenses with which private respondents are charged in the criminal case involved in this petition.

We are constrained to disagree with respondents submission.

In the sense respondents would construe the word "penalties" in Sec. 4 of Republic Act 5448 as referring to fines incident to the collection of the science stamp tax, the same is clearly comprehended within the purview of the phrase "at the same time and in the same manner" particularly the underscored portion, even without the phrase "subject to the same penalties as the documentary stamp tax", that follows in Sec. 4 of Republic Act 5448. When the law requires collection to be in the "same manner" as documentary stamp tax, the collection of fines in the cases provided therein may already be included, such as those mentioned in Sec. 237 to 239 of the NIRC. The penalties mentioned in the phrase "subject to the same penalties" would then refer to Sec. 240 of the same Code, which are for specific offenses enumerated therein, thereby investing Republic Act 5448 with the character of completeness, not that of incompleteness which would be against all reasonable presumptions as to how the legislative body performs its functions. Thus, the constitutionality of its enactments is a presumption well engrained in our legal system. For ready reference, Sec. 240 of the NIRC is quoted:

"SEC. 240. Falsification or counterfeiting, restoration, or alteration of documentary stamps; possession or use of false, counterfeit, restores, or altered stamps. - Any person who makes, sells, or uses, any false, counterfeit, restored, or altered documentary stamps, or makes, sells, or uses any die for printing or making stamps which are in imitation of or purport to be a lawful stamps or die of the kind required by the provisions of this title, or who erases the cancellation marks on any stamp previously used, or who alters the written or printed figures or letters or cancellation marks on any stamp previously used, or who has in his possession any such false, counterfeit, restored, or altered stamp or die for the purpose of using the same in the payment of internal revenue tax or in securing any exemption or privilege conferred by this Code, or who procures the commission of any such offense by another, shall for each offense be fined in a sum not less than one thousand pesos nor more than five thousand pesos and imprisoned for a term of not less than one year nor more than five years." (Italics supplied.)

It is, indeed, unthinkable that those acts enumerated in Sec. 240 of the NIRC which are expressly made punishable in order to prevent the thwarting of the purpose of the imposition of the documentary stamp taxes as revenue measure were left out or omitted, much less intentionally, as suggested, in the science stamp tax statute which must be provided with penal sanctions as those embodied in Sec. 240 of the NIRC, to be truly effective for the attainment of its purpose.

With the certainty in the mind of the Court that the legislative body, in enacting Republic Act 5448 and relating it to the documentary stamp tax provisions of the NIRC in the manner it did, intended to make the later law as effective and fool-proof as the earlier statute, considering their kindred aims and objectives, and therefore are in pari materia with each other, We have no hesitation in adopting the construction of Sec. 4 of Republic Act 5448 as providing penalties for the same acts as those enumerated in Sec. 240 of the NIRC[4] which clearly include

those charged in the information filed against private respondents. It may even be more accurate to say that more than just statutes in pari materia with each other, Republic Act 5448 is an amplification of the NIRC, as may be gleaned from the provisions of Sec. 4 of Republic Act 5448 which states that "in addition to the documentary stamp taxes imposed under Sections 211 to 235 of Commonwealth Act No. 466, as amended, otherwise known as the National Internal Revenue Code, there are hereby imposed science stamp taxes, etc." The second paragraph of the same Section 4 which provides that "the tax imposed herein shall be x x x subject to the same penalties as the documentary stamp imposed under the National Internal Revenue Code, as amended," should, accordingly, be interpreted as referring to the penalties imposed for the prohibited acts specified in Sec. 240 of the NIRC, designed to protect the integrity of both kind of stamp taxes, for the full attainment of the purpose and aim of both statutes as revenue measures, and prevent any form of subversion thereof.

Significantly, pursuant to the powers granted him under Sec. 6 of Republic Act 5448, to promulgate rules and regulations relating to the collection of the taxes accruing to the Special Science Fund as may be necessary, the Secretary of Finance issued Revenue Memorandum Circular No. 43-68[5] approved on December 13, 1968, which provides inter alia:

"Section 1. - Section 4 of the law (meaning RA 5448) makes it mandatory to collect an additional science stamp tax. xx xx xx xx" .

"The science stamp tax shall be collected at the same time in the same manner and subject to the same penalties as the documentary stamp tax imposed under Sections 237 to 240 of the Tax Code and Section 9 of the law (meaning RA 5448)."

Note that Sec. 240 of the Tax Code is specifically mentioned as applicable to the science stamp tax, not just the "collection" thereof as is the narrow and restricted manner by which Section 4 of Republic Act 5448 is being construed by the respondents. Administrative interpretation of the law (Republic Act 5448) considering as incorporated therein Sec. 240 of the NIRC accords with our interpretation. As provided under rules of statutory construction, administrative interpretations of a law exerts weighty influence in the judicial construction of statutes.[6]

With the interpretation of the disputed provision as arrived at and explained above, the proposition strongly relied upon by the respondents relative to the strict construction of penal statutes, so as not to extend the plain terms thereof that might create offenses by mere implication not so intended by the legislative body[7] loses its force and vigor. It strains the imagination to think that in imposing "additional stamp" as so provided in Sec. 4 of Republic Act 5448, to be known as science stamp taxes, to what is called documentary stamp taxes, Congress failed to provide the same safeguards for both kind of taxes, particularly against what is already known as the most facile form and common manner of subverting the imposition of this kind of taxes - stamp taxes - that of counterfeiting the stamps, and the possession or use of counterfeit stamps, the very acts with which private respondents are charged.

The law is, therefore, hereby declared to contain explicitly clear provision, particularly in Sec. 4 thereof, for the punishment as criminal offense of the acts charged in the information subject of the instant petition. In so declaring, far from violating the rule of strict construction of penal statutes, We are giving the law, Republic Act 5448, the only rational interpretation called for, a departure from which would be to act not in conformity with the proper exercise of our judicial power of interpreting the laws, which, primarily, is to give effect to the manifest and plain legislative intent.[8]

WHEREFORE, the order complained of is hereby set aside, and let this case be remanded to the court of origin for proper proceedings under the information already filed against private respondents.

**SO ORDERED.**

Makasiar, Fernandez, and Guerrero, JJ., concur.

Teehankee, J., (Chairman), concurs in the result.

Melencio-Herrera, J., took no part.

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[1] Annex "A" to Petition, pp. 30-31, Rollo.

[2] Annex "B" to Petition, pp. 32-37, Rollo.

Annex "C" to Petition, pp. 38-41, Rollo.

[3] Annex "D" to Petition, pp. 42-46, Rollo.

Annex "F" to Petition, pp. 51-52, Rollo.

[4] pp. 535-536, Sutherland Statutory Construction.

[5] pp. 14-15, Petitioners Brief, p. 119, Rollo.

[6] *Salaria v. Buenviaje*, February 28, 1978, 81 SCRA 728; *Sarmiento v. Nolasco*, November 15, 1974, 61 SCRA 80; *Orencia v. Enrile*, February 22, 1974, 55 SCRA 580; *University of the Philippines v. Court of Appeals*, January 28, 1971, 37 SCRA 64; *Asturias Sugar Central Inc. v. Commissioner of Customs*, September 30, 1969, 29 SCRA 617.

[7] pp. 18-22, Respondents Brief.

[8] *People of the Philippines v. Purisima*, November 20, 1978, 86 SCRA 542; *Lopez v. Commissioner of Customs*, January 30, 1971, 37 SCRA 327.

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