

## AN ACT REVISING AND CONSOLIDATING THE LAWS RELATIVE TO INTERNAL REVENUE.

*Act No. 2339, February 27, 1914*

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By authority of the United States, be it enacted by the Philippine Legislature, that:

### PRELIMINARY CHAPTER.

SECTION 1. Short title of this Act.—This Act may be referred to as The Internal Revenue Law of Nineteen hundred and fourteen.

### CHAPTER ONE.

#### THE BUREAU OF INTERNAL REVENUE.

SEC. 2. Chief officials of Bureau of Internal Revenue.—The Bureau of Internal Revenue shall have one chief and one assistant chief appointed by the Governor-General, with the advice and consent of the Philippine Commission, and known respectively as Collector of Internal Revenue and Deputy Collector of Internal Revenue.

Subject to the supervision of the Secretary of Finance and Justice, the Collector of Internal Revenue shall have general authority in all matters, and shall see to the enforcement of all laws and regulations, embraced within the jurisdiction of the Bureau or relating to the operation thereof.

SEC. 3. City assessor and collector of Manila.—The Collector of Internal Revenue shall be ex officio city assessor and collector of Manila and as such shall collect all its municipal revenues and shall perform in and for said city the duties imposed by this law on provincial treasurers generally.

SEC. 4. Powers and duties of Bureau.—The powers and duties of the Bureau of Internal Revenue shall comprehend the collection of all taxes, fees, and charges specified in and allowable under this Act, and the enforcement of all forfeitures, penalties, and fines sanctioned by the same.

Said Bureau shall also give effect to and administer the supervisory and police powers of this Act and enforce any other law or parts of laws specifically placed under its jurisdiction.

SEC. 5. Regulations of the Bureau of Internal Revenue.—The Collector of Internal Revenue shall have the power, and it shall be his duty, to make regulations, not inconsistent with law, necessary to carry this Act into full effect and to secure an harmonious and efficient administration of his branch of the service. Such regulations may be either general or local in application and shall become effective as law when approved by the Department head and published.

SEC. 6. Specific provisions to be contained in regulations.—The Regulations of the Bureau of Internal Revenue shall, among other things, contain provisions specifying, prescribing, or defining:

- (a) The time and manner in which provincial treasurers shall canvass their provinces for the purpose of discovering persons and property liable to internal-revenue taxes, and the manner in which their lists of taxable persons and tax-able objects shall be made and kept.

- (b) The forms of labels, brands, or marks to be required on goods subject to a specific tax and the manner in which the labeling, branding, or marking shall be effected.
- (c) The conditions under which and the manner in which goods intended for export, which if not exported would be subject to a specific tax, shall be labeled, branded, or marked.
- (d) The conditions to be observed by revenue officers, provincial fiscals, and other officials respecting the institution and conduct of legal actions and proceedings.
- (e) The manner in which persons authorized to have and keep prohibited drugs shall keep their records relating to the same.
- (f) The conditions under which opium may be imported, the manner of its storage and removal for use, as well as the manner in which the same shall be marked or labeled prior to removal.
- (g) The conditions under which prohibited drugs may be transferred from the possession of persons authorized to have and keep the same to the possession of other persons similarly authorized.
- (h) The conditions under which goods intended for storage in bonded warehouses shall be conveyed thither, their manner of storage, and the method of keeping the entries and records in connection therewith; also the books to be kept by storekeepers and the reports to be made by them in connection with their supervision of such houses.
- (i) The conditions under which alcohol intended for use in the arts and industries may be withdrawn free of tax, and dealt in, the character and quantity of the denaturing material to be used, the manner in which the process of denaturing shall be effected, the bonds to be given, the books and records to be kept, the entries to be made therein, the reports to be made to the Collector of Internal Revenue, and the signs to be displayed in the business or by the person for whom such denaturing is done or by whom such alcohol is dealt in.
- (j) The manner in which revenue shall be collected and paid, the instrument, document, or object to which revenue stamps shall be affixed, the mode of cancellation of the same, the manner in which the proper books, records, invoices, and other papers shall be kept and entries therein made by the person subject to the tax, as well as the manner in which licenses and stamps shall be gathered up and returned after serving their purpose.
- (k) Prohibitions relative to the size, style, subject-matter, and location of signs, signboards, billboards, and other forms of outdoor advertising, and the conditions precedent to securing a license to erect or display such signs, signboards, and billboards.

SEC. 7. Power of Collector of Internal Revenue to fix bonds.—The Collector of Internal Revenue shall, consistently with the law, prescribe the form and fix the amount of all bonds executed by private parties to the Government under the laws pertaining to his Bureau and shall pass on the sufficiency of the security and retain possession of the bond.

SEC. 8. Forms, certificates, and appliances supplied by the Collector of Internal Revenue.—It shall be the duty of the Collector of Internal Revenue, among other things, to prescribe, provide, and distribute to the proper officials the requisite licenses, cedula forms, internal revenue stamps, and labels or tags used in sealing weights and measures, and all other forms, certificates, bonds, records, invoice books, instruments, appliances and apparatus used in administering the laws under the jurisdiction of the Bureau.

SEC. 9. Agents and deputies for collection of internal revenue.—For the collection of the internal revenue on imported articles the Insular Collector of Customs and his subordinates are constituted agents of the Collector of Internal Revenue; and the provincial treasurers, their deputies, and employees shall be his deputies for the collection of other internal revenue and the enforcement of all laws within the jurisdiction of the Bureau.

For economy or effectiveness in the collection of the cedula tax, the Collector of Internal Revenue may authorize the provincial treasurer of any province to appoint, for the first four months of the year only, special deputies to collect such tax, at a rate of compensation not greater than ten centavos for each tax collected and certificate issued.

SEC. 10. Expenses of collection to be borne by provinces.—The expenses incurred by the provincial and municipal authorities in collecting taxes and in enforcing the laws under the jurisdiction of the Bureau of Internal Revenue, including expenses incurred in appearing in the courts in internal-revenue cases, shall be borne by the respective provinces; but the city of Manila shall be liable only for such expenses as are incident to the collection of internal-revenue and other taxes in and for that city, and for such expenses the Insular Government shall be reimbursed.

SEC. 11. Internal-revenue inspection districts.—With the approval of the Department head, the Collector of Internal Revenue shall divide the Philippine Islands into such number of inspection districts as may from time to time be required for administrative purposes. Each of these districts shall be in charge of an internal-revenue agent.

SEC. 12. Duties of internal-revenue agents.—It shall be the duty of every internal-revenue agent to see that all laws and regulations relative to the collection of internal-revenue taxes are faithfully executed and complied with, to aid in the prevention, detection, and punishment of any frauds or delinquencies in connection therewith, and to examine into the efficiency of all officers and employees of the Bureau of Internal Revenue. He shall report in writing to the Collector of Internal Revenue any neglect of duty, incompetency, delinquency, or malfeasance in office of any internal-revenue officer of which he may obtain knowledge, with a statement of all the facts in each case and any evidence sustaining the same. He may, by notice in writing, suspend from duty any storekeeper, and in such case he shall immediately notify the Collector of Internal Revenue and within three days thereafter report his action and his reasons therefor in writing to said Collector.

Should any revenue agent discover any neglect, incompetency, delinquency, or malfeasance of any provincial treasurer in the performance of his duty as a collector of internal revenue, he shall immediately report the facts to the Collector of Internal Revenue in writing.

SEC. 13. Authority of agent's assistant.—An agent's assistant in any district may, in the name of the internal-revenue agent in charge of such district and under the control of such officer as his principal, exercise any power or perform any act which might be exercised or performed by such internal-revenue agent himself.

SEC. 14. Assignment of storekeepers to warehouses.—The Collector of Internal Revenue shall employ and assign to such bonded warehouses and manufacturers' warehouses as he shall deem expedient internal-revenue storekeepers, special

SEC. 15. Assignment of internal-revenue agents to special duties.—Internal-revenue agents may be assigned to duty under the direction of any officer of the Bureau of Internal Revenue and may be assigned to special duties other than those of internal-revenue agent proper.

Any officer or employee of the Bureau may be assigned to the duties of revenue agent without change of his official character or salary.

SEC. 16. Reports of violations of law.—When a provincial or deputy provincial treasurer or an internal-revenue agent discovers evidence of the violation of any penal provision of this Act of such character that a criminal prosecution ought to be instituted, he shall immediately report the facts to the fiscal of the province, giving the name of the offender and the names of the witnesses, if possible. A duplicate of such report shall be sent to the Collector of Internal Revenue.

It shall also be the duty of officers and employees of the Bureau of Internal Revenue to report to the Bureau of Forestry any violations of the Forest Law within their knowledge. A duplicate of each such report shall be furnished to the Collector of Internal Revenue.

SEC. 17. Authority of internal-revenue officers to make arrests and seizures.—The Collector of Internal Revenue, the Deputy Collector of Internal Revenue, internal-revenue agents, and provincial treasurers and their deputies shall have authority to make arrests and seizures for violations of this Act or of regulations pursuant thereto. Any person so arrested shall be forthwith carried before a magistrate there to be dealt with according to law.

SEC. 18. Power of Collector of Internal Revenue in making Assessment of taxes. assessments.—When a report required by this Act as a basis for the assessment of any tax shall not be forthcoming within the time fixed by law or regulation, or when there is reason to believe that any such report is false, incomplete or erroneous, the Collector of Internal Revenue shall assess the proper tax on the best evidence obtainable.

SEC. 19. Authority of officers to administer oaths and take testimony.—The Collector of Internal Revenue, the Deputy Collector of Internal Revenue, internal-revenue agents, and provincial treasurers and their deputies may administer oaths, summon witnesses, and take testimony in any official investigation conducted by them touching any matter within the jurisdiction of the Bureau.

SEC. 20. Contents of Collector's annual report.—The Annual report, annual report of the Collector of Internal Revenue shall contain a detailed statement of the collections and disbursements of the Bureau with specifications of the sources of revenue and classes of disbursements.

## CHAPTER TWO

### INTERNAL-REVENUE TAXES.

Article I.—Sources of internal revenue.

SEC. 21. Sources of taxes.—The following taxes, fees, fees, etc. and charges in the nature of tax are deemed to be internal-revenue taxes:

- (a) The cedula tax;
- (b) The documentary tax;
- (c) The privilege taxes on business and occupation;
- (d) Specific taxes on manufactured products;
- (e) Taxes on resources of banks, receipts of insurance companies, and receipts of corporations paying a franchise tax;
- (f) Charges for forest products;
- (g) Fees for testing and sealing weights and measures;
- (h) Internal revenue, including the income tax, collected in the Philippine Islands under laws enacted by the Congress of the United States;
- (i) Taxes on signs, signboards, and billboards.

SEC. 22.—Persons liable to cedula tax.—An annual internal-revenue cedula tax shall be paid by all male inhabitants of the Philippine Islands over the age of eighteen and under sixty with the following exceptions:

- (a) Commissioned officers of the United States Army or Navy;
- (b) Enlisted soldiers, sailors, and marines of the United States Army or Navy;
- (c) Civilian employees of the military or naval branches of the United States Government who have come to the Philippine Islands under orders of the Government of the United States;
- (d) Diplomatic and consular representatives and officials of foreign powers;
- (e) Paupers;
- (f) Insane persons;
- (g) Imbeciles;
- (h) Persons serving a sentence of more than one year in a public prison;

- (i) Such inhabitants of Batanes, Mindoro, and Palawan as are subject to the road tax;
- (j) Members of non-Christian tribes, subject to the qualification stated in the next section.

SEC. 23. Liability of non-Christian people to cedula tax.—Except in the Department of Mindanao and Sulu, members of non-Christian tribes shall pay the cedula tax herein prescribed; unless the provincial board, with the approval of the Secretary of the Interior, shall by resolution exempt them, in which case copy of said resolution shall be furnished the Collector of Internal Revenue, amount.

SEC. 24. Amount of the cedula tax.—The cedula tax shall be one peso; but in the city of Manila and in provinces organized under the Provincial Government Act it may, by resolution of the respective municipal board or provincial board, for said city or province, be increased to two pesos. Where such increase is effected it shall remain in force until abrogated for one or more years by resolution of the board, either with the express approval of the Governor-General or upon the expiration of thirty days after the receipt by him of such resolution, without his disapproval.

A copy of any resolution increasing or reducing the cedula tax in a province shall be furnished by the provincial treasurer to the Collector of Internal Revenue.

SEC. 25. Increase of tax in case of delinquency.—Upon delinquency the cedula tax to which any person is liable shall be double.

SEC. 26. Time for payment of cedula tax; when delinquency occurs.—Liability for the cedula tax accrues on the first of January of each year as regards persons then resident in the Islands and liable to the tax; and if a person so liable fails to pay the tax before the first of May he shall be delinquent. As regards those who come to reside in the Islands prior to the first of July and those who reach the age of eighteen or otherwise lose the benefit of exemption prior to that date, liability shall attach upon the day of arrival or upon the day exemption ceases, and if arriving or becoming liable on or before the tenth of April they shall likewise be delinquent upon failure to pay the tax before the first of May, but such persons, arriving or becoming liable after the tenth of April, shall have twenty days within which to pay the tax without becoming delinquent.

Persons who come to reside in the Islands or arrive at the age of eighteen years on or after the first of July of any year or who cease to belong to an exempt class on or after the same date shall not be subject to the tax for such year.

When the public interests so require, the provincial board extension, of any province may, by resolution, with the approval of the Governor-General, extend the time for the payment of the cedula tax without the consequences of delinquency for a period not exceeding three months in any year.

SEC. 27. Payment of cedula tax in province other than payment in another that of domicile.—A person temporarily absent from the province of his domicile may pay the cedula tax in any province where he is sojourning; but such payment in a province where the tax is one peso shall not remove liability for the additional peso to which the taxpayer may be subject in the province of his domicile.

SEC. 28. Presentation of cedula certificate upon certain occasions.—When a person liable to the cedula tax offers himself for registration as a qualified voter, acknowledges any document before a notary public, takes the oath of office upon election or appointment to any position in the Government service, receives any license, certificate, or permit from any public authority, pays any tax, receives any money from any public fund, or transacts other official business, it shall be the duty of the officer or person with whom such transaction is had or business done to require the exhibition of the certificate showing the payment of the cedula tax by such person. Such certificate shall be the one issued for the current year, except during the month of January of each year and except also in the

case of the payment of the cedula tax at any time during the year, in which cases the exhibition of the certificate for the previous year shall suffice.

SEC. 29. Secondary certificate in lieu of lost cedula certificate.—When a cedula certificate is accidentally lost or destroyed, a secondary certificate showing the number of the original certificate and its date, together with the other information contained therein, shall be supplied to the taxpayer upon affidavit showing such loss or destruction. This secondary certificate may be used in lieu of the original certificate for all purposes.

Article III.—Documentary stamp tax.

SEC. 30. Stamp tax upon documents and papers.—Upon -stamp taxes, documents, instruments, and papers, and upon acceptances, assignments, sales, and transfers of the obligation, right, or property incident thereto documentary taxes for and in respect of the transaction so had or accomplished shall be paid as hereinafter prescribed, by the person making, signing, issuing, accepting, or transferring the same, and at the time such act is done or transaction had :

- (a) On all bonds, debentures, and certificates of indebtedness, indebtedness issued by any association, company, or corporation, on each two hundred pesos or fractional part thereof, of the face value of such document, twenty centavos;
- (b) On every original issue, whether on organization or on reorganization, of certificates of stock by any such association, company, or corporation, on each two hundred pesos, or fractional part thereof, of the face value of such certificate, twenty centavos;
- (c) On all sales, or agreements to sell, or memoranda of sales, or deliveries, or transfer of shares or certificates of stock in any association, company or corporation, or transfer by assignment in blank, or by delivery, or by any paper, or agreement, or memorandum, or other evidence of transfer or sale, whether entitling the holder in any manner to the benefit of such stock, or to secure the future payment of money, or for the future transfer of any stock, on each two hundred pesos, or fractional part thereof, of the par value of such stock, four centavos;
- (d) On all bonds debentures, certificates of stock, or certificates of indebtedness issued in any foreign country there shall be paid by the person here selling or transferring the same, such tax as is required by law on similar instruments when issued, sold, or transferred in the Philippine Islands;
- (e) On all certificates of profits, or any certificate or memorandum showing interest in the property or accumulations of any association, company, or corporation, and on all transfers of such certificates or memoranda, on each two hundred pesos, or fractional part thereof, of the face value of such certificate or memorandum, two centavos;
- (f) On each check, draft, or certificate of deposit, not drawing interest, or order for the payment of any sum of money drawn upon or issued by any bank, trust company, or any person or persons, companies, or corporations, at sight or on demand, two centavos;
- (g) On all bills of exchange (between points within the Philippine Islands), drafts, and certificates of deposit drawing interest, or orders for the payment of any sum of money otherwise than at sight or on demand, and on all promissory notes, except bank notes issued for circulation, and on each renewal of any such note, on each two hundred pesos or fractional part thereof, of the face value of any such bill of exchange, draft, certificate of deposit, or note, two centavos;
- (h) Upon any acceptance or payment upon acceptance of any bill of exchange or order for the payment of money purporting to be drawn in a foreign country but payable in the Philippine Islands, on each two hundred pesos, or fractional part thereof, of the face value of any such bill of exchange or order, or the Philippine equivalent of such value, if expressed in foreign currency, two centavos;
- (i) On all foreign bills of exchange and letters of credit (including orders, by telegraph or otherwise, for the payment of money issued by express or steamship companies or by any person or persons) drawn in but payable out of the Philippine Islands, in a set of three or more according to the custom of merchants and bankers, on each two hundred pesos, or fractional part thereof, of the face value of any such bill of exchange or letter of credit, or the Philippine equivalent of such face value, if expressed in foreign currency, four centavos;

(j) On all policies of insurance, or other instruments by life insurance, whatever name the same may be called, whereby any insurance shall be made or renewed upon any life or lives, on each two hundred pesos, or fractional part thereof, of the amount insured by any such policy, ten centavos;

(k) On all policies of insurance or other instruments by whatever name the same may be called, by which insurance shall be made or renewed upon property of any description, including rents or profits, against peril by sea or on inland waters, or by fire or lightning, on each four pesos, or fractional part thereof, of the amount of premium charged, two centavos;

(l) On all policies of insurance or bonds or obligations of the nature of indemnity for loss, damage, or liability made or renewed by any person, association, company, or corporation transacting the business of accident, fidelity, employer's liability, plate glass, steam boiler, burglar, elevator, automatic sprinkler, or other branch of insurance (except life, marine, inland, and fire insurance), and on all bonds, undertakings, or recognizances conditioned for the performance of the duties of any office or position, for the doing or not doing of anything therein specified, and on all obligations guaranteeing the validity or legality of any bonds or other obligations issued by any province, municipality, or other public body or organization, and on all obligations guaranteeing the title to any real estate, or guaranteeing any mercantile credits, which may be made or renewed by any such person, company, or corporation, on each four pesos, or fractional part thereof, of the premium charged, two centavos;

(m) On all policies of annuities, or other instruments by whatever name the same shall be called, whereby an annuity may be made, transferred, or redeemed, on each two hundred pesos, or fractional part thereof, of the capital of the annuity, or should this be unknown, then on each two hundred pesos, or fractional part thereof, of thirty-three and one-third times the annual income, ten centavos;

(n) On each bond for indemnifying any person, firm, or corporation who shall become bound or engaged as surety for the payment of any sum of money or for the due execution or performance of the duties of any office or position or to account for money received by virtue thereof, and on all other bonds of any description, except such as may be required in legal proceedings or are otherwise provided for herein, fifty centavos;

(o) On each certificate of damage, or otherwise, and on certificates, every other certificate or document issued by any customs officer, marine surveyor, or other person acting as such, and on each certificate issued by a notary public, and on each certificate of any description required by law, or by rules or regulations of a public office, or which is issued for the purpose of giving information, or establishing proof of a fact, and not otherwise specified herein, twenty centavos ;

(p) On each warehouse receipt for property held in receipts, storage in a public or private warehouse or yard for any other person than the proprietor of such warehouse or yard himself or some employee of his engaged in and about the same, twenty centavos;

(q) On each set of bills of lading or receipts (except charter party) for any goods, merchandise, or effects of greater value than five pesos, to be exported from a port in the Philippine Islands to any foreign port, ten centavos;

(r) On each set of bills of lading or receipts (except charter party) for goods, merchandise, or effects of greater value than five pesos shipped from one port or place in the Philippine Islands to another port or place in said Islands, four centavos;

(s) On each passage ticket or any receipt for money paid for passage on any vessel other than on a vessel belonging to the Insular Government or the Government of the United States from any port in the Philippine Islands to a port in the United States or to any foreign port:

1. If said passage costs not more than sixty pesos, one peso;
2. If said passage costs more than sixty pesos and not more than one hundred and twenty pesos, two pesos;
3. If said passage costs more than one hundred and twenty pesos, three pesos;

(t) On each proxy for voting at any election for officers of any incorporated company or association, except associations or corporations for religious, charitable or literary purposes or to manage public cemeteries, twenty

centavos;

(u) On each power of attorney to perform any act whatsoever, except acts connected with the collection of claims due from or accruing to the Government of the United States, the Government of the Philippine Islands, or the government of any province or municipality, twenty centavos;

(v) On each lease, agreement, memorandum, or contract for the hire, use, or rent of any lands or tenements, or portions thereof:

1. If executed for not more than one year, twenty centavos;
2. If executed for more than one year, and not more than three years, fifty centavos;
3. If executed for a period of more than three years, one peso;

(w) On every mortgage or pledge of lands, estate, or property, real or personal, heritable or movable, whatsoever, where the same shall be made as a security for the payment of any definite and certain sum of money lent at the time or previously due and owing or forborne to be paid being payable, and on any conveyance of land, estate, or property whatsoever in trust or to be sold or otherwise converted into money, which shall be and intended only as security, either by express stipulation or otherwise:

1. When the amount for which the mortgage or deed of trust is given is not less than one thousand pesos nor more than three thousand pesos, fifty centavos;
  2. On each three thousand pesos, or fractional part thereof, in excess of three thousand pesos, an additional tax of fifty centavos;
- conveyances.

(x) On all conveyances, deeds, instruments, or writings, other than grants, patents, or original certificates of adjudication issued by the Government, whereby any lands, tenements, or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to the purchaser or purchasers, or to any other person or persons designated by such purchaser or purchasers:

1. When the true consideration, or value received or contracted to be paid for such realty, after making proper allowance for any incumbrance, is more than two hundred pesos but not more than two thousand pesos, fifty centavos;
2. For each additional one thousand pesos, or fractional part thereof, of such true consideration or value, fifty centavos.

When it appears that the amount of the documentary tax payable hereunder has been reduced by an incorrect statement of the consideration in any conveyance, deed, instrument, or writing subject to such tax, the Collector of Internal Revenue, provincial treasurer, or other revenue officer shall, from the assessment rolls or other reliable source of information, assess the property at its true market value and collect the proper tax thereon.

(y) On every charter party, contract, or agreement for parties, the charter of any ship, vessel, or steamer, or any letter or memorandum or other writing between the captain, master, or owner, or other person acting as agent of any ship, vessel, or steamer and any other person or persons for or relating to the charter of any such ship, vessel, or steamer, and on any renewal or transfer of such charter, contract, agreement, letter or memorandum:

1. If the registered gross tonnage of the ship, vessel, or steamer is not more than three hundred tons, six pesos;
2. If the registered gross tonnage is more than three hundred tons but not more than six hundred tons, ten pesos;
3. If the registered gross tonnage is more than six hundred tons, twenty pesos;

(z) Upon each and every assignment or transfer of any mortgage, lease, or policy of insurance, or the renewal or continuance of any agreement, contract or charter by altering or otherwise, a stamp tax shall be levied, collected,

and paid at the same rate as that imposed on the original instrument.

SEC. 31. Documents and papers not subject to stamp tax.—The following instruments, documents and papers shall be exempt from the documentary stamp tax:

- (a) Bonds, debentures and certificates of indebtedness Government bonds, issued by the Insular Government or any provincial or e e' municipal government.
- (b) Checks, drafts, warrants, and bills of exchange issued in payment of any debt, obligation, or liability, or in fulfillment of any contract of the Government of the United States, or the Insular Government, or of a provincial or municipal government.
- (c) Policies of insurance or annuities made or granted by a fraternal or beneficiary society, order, association, or cooperative company, operated on the lodge system or local cooperation plan, and organized and conducted solely by the members thereof for the exclusive benefit of its members and not for profit.
- (d) Certificates of oaths administered to any government official, in his official capacity, or of acknowledgment by any government official in the performance of his official duties; written appearances in any court by any government official, in his official capacity; certificates of the administration of oaths to any person as to the authenticity of any paper required to be filed in court by any person or party thereto, whether the proceedings be civil or criminal; papers and documents filed in courts for the military, naval, Insular, provincial, or municipal governments, whether civil or criminal; affidavits of poor persons for the purpose of proving poverty; statements and other compulsory information required of persons or corporations by rules and regulations of the military, naval, Insular, provincial, or municipal governments exclusively for statistical purposes and which are wholly for the use of the Bureau in which the same are filed, and not at the instance of, or for the use or benefit of, the person filing the same; certified copies and other certificates placed upon documents, instruments, and papers for the military, naval, Insular, provincial, or municipal governments, made at the instance and for the sole use of some other branch of the military, naval, Insular, provincial, or municipal governments; and certificates of the assessed value of lands, not exceeding two hundred pesos in value assessed, furnished by provincial or municipal treasurers to applicants for registration of title to land.

When any bond, note, or other obligation is secured by a mortgage, pledge, deed of trust, or by the assignment or transfer of any documentary security, one tax only shall be collected upon such papers, such tax to be at the highest rate imposed on such mortgage, bond, note, obligation or other document as the case may be.

SEC. 32. Payment of documentary stamp tax; cancellation of stamp.—Documentary taxes shall be paid by the purchase and affixture of documentary stamps to the document or instrument taxed or to such other paper as may be indicated by law as the proper recipient of the stamp, and by the subsequent cancellation of the same, such cancellation to be accomplished by writing or stamping the date across the face of the stamp in such manner that part of the writing or impression shall be on the stamp itself and part on the paper to which it is attached.

When the evidence of a sale or transfer is shown only on the books of a company the stamp shall be affixed to such books; and in case of a change of ownership is by transfer of certificates the stamp shall be affixed to the certificate; and in case of an agreement to sell, or when the transfer is by delivery of the certificate assigned in blank, there shall be made and delivered by the seller to the buyer a bill or memorandum of such sale to which the stamp shall be affixed; and every such bill or memorandum of sale, or agreement to sell, shall show the date thereof, the name of the seller and of the purchaser, the amount of the sale, and matter or thing to which it refers.

SEC. 33. Effect of failure to stamp taxable document.—An instrument, document, or paper which is required by law to be stamped and which has been signed, issued, accepted, or transferred without being duly stamped shall not be recorded, nor shall it or any copy thereof or any record of transfer of the same be admitted or used in evidence in any court until the requisite stamp or stamps have been affixed thereto.

SEC. 34. Privilege taxes on business and occupation.— Business and o«u-A privilege tax must be paid before any

business or occupation hereinafter specified can be lawfully begun or pursued. The tax on business is payable for every separate or distinct establishment or place where business .subject to the tax is conducted; and one occupation or line of business does not become exempt by being conducted with some other occupation or business for which such tax has been paid.

On some sorts of business the tax is in a fixed amount, while on other sorts of business it is reckoned at a certain rate per cent on the amount of business transacted. The occupation tax is in a fixed amount in all cases.

The occupation tax must be paid by each individual en- -by whom payable, engaged in a calling subject thereto; the tax on a business, by the person, firm, or company conducting the same.

SEC. 35. Legality of business as affected by payment of tax.—The payment of a business or occupation tax shall not exempt any person from any tax, penalty, or punishment provided by law or ordinance in places where such business or occupation is prohibited or regulated by municipal law, nor shall the payment of any such tax be held to prohibit any municipality from placing a tax upon the same business or occupation, for local purposes, where the imposition of such tax is authorized by law.

SEC. 36. Time for payment of fixed taxes.—The yearly time for payment-fixed taxes are due on the first of January of each year and, if tendered in quarterly installments on or before the twentieth of January, April, July, and October, or on or before the last day of said months, in remote provinces, in the discretion of the Collector of Internal Revenue, shall be received without penalty. But any person first beginning a business or occupation must pay the tax before engaging therein.

SEC. 37. Reckoning tax for business first begun or abandoned during year.—When an occupation or business subject to a fixed tax is newly begun during any year the tax shall be reckoned from the commencement of the current quarter, or in case of a business subject to a monthly tax, from the first of the month; and when either is at any time abandoned, the tax shall not be exacted for a longer period than to the end of the quarter or month, as the case may be.

SEC. 38. Initiatory tax upon business.—Every person engaging in a business on which the percentage tax is imposed shall pay a fixed initiatory tax of two pesos, and if his receipts fall below the minimum limit for the percentage tax the business may, without further tax, be continued free of charge. But the amount of his business must, in any case, be reported quarterly as required in the next succeeding section.

SEC. 39. Payment of percentage taxes; quarterly report of earnings.—The percentage taxes on business shall be payable at the end of each calendar quarter in the amount lawfully due on the business transacted during each quarter; and it shall be the duty of every person conducting a business subject to such tax, within the first twenty days earnings, of the succeeding quarter, to make a true and complete return of the amount of the receipts or earnings of his business during the preceding quarter.

If the percentage tax on any business is not paid within twenty days after the same becomes due the amount of the tax shall be increased by twenty-five per cent, the increment to be a part of the tax.

SEC. 40. Percentage tax on merchants sales.—All merchants not herein specifically exempted shall pay a tax of one-third of one per cent on the gross value in money of the commodities, goods, wares, and merchandise sold, bartered, or exchanged by them, such tax to be based on the actual selling price or value at which the things in question are disposed of, whether consisting of raw material or of manufactured or partially manufactured products, and whether of domestic or foreign origin.

Butchers, bakers, and persons engaged in public market places in the sale of domestic food products at retail, and

other small merchants whose gross quarterly sales do not exceed one hundred and twenty-five pesos are exempt from this tax.

"Merchant," as here used, means a person engaged in the sale, barter, or exchange of personal property of whatever character. Except as specially provided, the term includes manufacturers who sell articles of their own production and commission merchants having establishments of their own for the keeping and disposal of goods of which sales or exchanges are effected, but does not include merchandise brokers.

SEC. 41. Sales not subject to merchants tax.—In computing the tax above imposed transactions in the following commodities shall be excluded:

- (a) Merchandise actually exported by the vendor;
- (b) Things, other than opium, subject to a specific tax;
- (c) Agricultural products when sold by the producer or owner of the land where grown, whether in their original state or not.

SEC. 42. Percentage tax on printers and publishers.—Printers and publishers shall pay a tax equivalent to one-third of one per cent of their gross receipts; but persons engaged in the publication or printing and publication of any newspaper, magazine, review, or bulletin appearing at regular intervals and having fixed prices for subscription and sale shall not be taxed on receipts from sales of, subscription to, or advertisements in such publication; but this exemption shall not apply to any publication the principal purpose of which is the publication of advertisements.

SEC. 43. Percentage tax on contractors, warehousemen, and others.—Contractors, warehousemen, proprietors of dockyards, and persons selling light, heat, or power, as well as persons engaged in conducting telephone or telegraph lines, or exchanges, and keepers of hotels and restaurants shall pay a tax equivalent to one-third of one per cent of their gross receipts.

SEC. 44. Percentage tax on carriers and keepers of stables and garages.—Keepers of livery stables and garages, transportation contractors, persons who transport passengers or freight for hire, and common carriers by land or water, except owners of boats taxed under the laws administered by the Bureau of Customs, shall pay a tax equivalent to one per cent of their gross receipts when the same exceed two hundred and fifty pesos a quarter.

SEC. 45. Amount of tax on business.—Fixed taxes on Business taxes, business shall be collected as follows, the amount stated being for the whole year, when not otherwise specified:

- (a) Distillers of spirits, two hundred pesos;
- (b) Brewers, two hundred pesos;
- (c) Rectifiers of distilled spirits, two hundred pesos;
- (d) Manufacturers of tobacco, twenty pesos;
- (e) Manufacturers of cigars, twenty pesos; (/) Wholesale liquor dealers:
  - 1. In city of Manila, two hundred pesos;
  - 2. In any other place, sixty pesos;
- (g) Retail liquor dealers, forty-eight pesos;
- (h) Retail vino dealers, eight pesos;
- (i) Wholesale dealers in fermented liquors, sixty pesos;
- (j) Retail dealers in fermented liquors, forty pesos;
- (k) Retail tuba dealers, ten pesos;
- (I) Wholesale tobacco dealers, twenty pesos;
- (m) Retail tobacco dealers, eight pesos;

- (n) Wholesale peddlers of manufactured tobacco, or of distilled, manufactured, or fermented liquor, or both, eighty pesos;
- (o) Retail peddlers of manufactured tobacco, or of distilled, manufactured, or fermented liquor, or both, sixteen pesos;
- (p) Peddlers of merchandise traveling from place to place, except peddlers of food stuffs and those whose stock in trade amounts to less than fifty pesos in value, eight pesos, to be refunded if thereafter they shall pay the merchants' tax for the quarter in a sum in excess of eight pesos;
- (q) Proprietors of cockpits, two hundred pesos;
- (r) Proprietors of theaters, museums, and concert halls:
  - 1. In city of Manila, two hundred pesos;
  - 2. In any other place, one hundred pesos; or, in this case, by the month, ten pesos;
- (s) Proprietors of circuses giving exhibitions in one or more places or provinces, two hundred pesos;
- (t) Proprietors of billiard rooms, for each table, ten pesos;
- (u) Owners of race tracks, for each day on which races are run on any track, sixty pesos;
- (v) Pawnbrokers, four hundred pesos;
- (w) Stockbrokers, eighty pesos;
- (x) Money lenders, eighty pesos;
- (y) Real estate brokers, eighty pesos;
- (z) Merchandise brokers, or corredores, eighty pesos;
- (aa) Proprietors of shops for the repair of bicycles or vehicles of any kind, twenty pesos.

SEC. 46. Words and phrases defined.—In applying the provisions of the preceding section words and phrases shall be taken in the sense and extension indicated below:

"Distiller of spirits" comprises all who distill spirituous liquors by original and continuous distillation from mash, wort, wash, sap, or sirup through continuous closed vessels and pipes until the manufacture thereof is complete.

"Brewer" comprises all persons who manufacture fermented liquors of any description for sale or delivery to others, but not including manufacturers of tuba, bassi, or tapuy, or similar domestic fermented liquors whose daily production does not exceed two hundred gauge liters.

"Rectifier" comprises every person who rectifies, purifies, or refines distilled spirits or wines by any process other than by original and continuous distillation from mash, wort, wash, sap, or sirup through continuous closed vessels and pipes until the manufacture thereof is complete. Every wholesale or retail liquor dealer who has in his possession any still or mash tub, or who keeps any other apparatus for the purpose of distilling spirits or in any manner refining distilled spirits, and every person who without rectifying, purifying, or refining distilled spirits shall, by mixing such spirits, wine, or other liquor with any materials except water, manufacture any intoxicating beverage whatever, shall also be regarded as a rectifier and as being engaged in the business of rectifying.

"Manufacturer of tobacco" includes every person whose business it is to manufacture tobacco or snuff, or who employs others to manufacture tobacco or snuff, whether such manufacture be by cutting, pressing, grinding, or rubbing any raw or leaf tobacco, or otherwise preparing raw or leaf tobacco or manufactured or partially manufactured tobacco and snuff or putting up for consumption scraps, refuse, or stems of tobacco resulting from any process of handling tobacco, or by working or preparing leaf tobacco, tobacco stems, scraps, clippings, or waste by sifting, twisting, screening, or by any other process.

"Manufacturer of cigars" comprehends every person other than a cigar maker whose business it is to make or

manufacture cigars or cigarettes for sale or who employs others to make or manufacture cigars or cigarettes for sale.

"Cigar maker" applies to every maker of cigars or cigarettes, including apprentices, employed by a licensed cigar factory to make cigars or cigarettes from material supplied by his employer, whether working on the premises or not.

"Wholesale liquor dealer" comprehends every person who for himself or on commission sells or offers for sale wines or distilled spirits (other than denatured alcohol) in larger quantities than two decaliters at any one time, or who sells or offers the same for sale for the purpose of resale irrespective of quantity.

"Retail liquor dealer" includes every person, except a retail vino dealer, who for himself or on commission sells or offers for sale wine or distilled spirits (other than denatured alcohol) in quantities of two decaliters or less at any one time and not for resale.

"Retail vino dealer" includes every person who for himself or on commission sells or offers for sale only domestic distilled spirits in quantities of two decaliters or less at any one time and not for resale.

"Wholesale dealer in fermented liquors" means anyone who for himself or on commission sells or offers for sale fermented liquors in larger quantities than two decaliters at any one time or who sells or offers for sale such fermented liquors (excluding tuba, bassi, tapuy, and similar domestic fermented liquors) for the purpose of resale, regardless of

"Retail dealer in fermented liquors" includes every person, except retail tuba dealers, who for himself or on commission sells or offers for sale fermented liquors in quantities of two decaliters or less at any one time and not for resale.

"Retail tuba dealer" includes every person who for himself or on commission sells or offers for sale tuba, bassi, or tapuy, or similar domestic fermented liquor, in quantities of less than two decaliters at any one time.

"Wholesale tobacco dealer" comprehends every person who for himself or on commission sells or offers for sale, for the purpose of resale, cigars, cigarettes, or manufactured tobacco.

"Retail tobacco dealer" includes every person who himself or on commission sells or offers for sale to consumers cigars, cigarettes, or manufactured tobacco.

"Peddler" means any person who either for himself or on commission travels from place to place in town or country and sells his goods or offers to sell and deliver the same.

Whether a peddler is a wholesale peddler or a retail peddler of a particular commodity, shall be determined from the definitions of wholesale dealer and retail dealer, as above given, in connection with the particular commodity peddled.

"Theater" includes every edifice used for the purpose of operatic and dramatic or other representations, plays, or performances, for admission to which entrance money is received.

"Circus" includes every building, tent, or area where feats of horsemanship or acrobatic sports are exhibited, but does not include traveling circuses performing in streets and squares or in buildings not intended for amusement purposes.

"Billiard room" includes every building or place, open to the public, where games of billiards or pool are played, with or without charge.

"Proprietor" of a circus, theater, museum, cockpit, concert hall, or billiard room means the person or persons having a proprietary interest in the conducting thereof.

"Owner of a race track" comprises every person who owns, leases, or controls a track where horses are entered

and races are run as a public exhibition, whether or not money is bet on the result of such races.

"Pawnbroker" includes all persons whose business or occupation it is to take or receive by way of pledge or pawn, any goods, wares, or merchandise or any kind of personal property whatever, except agricultural products, as security for the repayment of money loaned thereon.

No banker who is taxed upon his capital and deposits by virtue of other provisions of this Act shall be subject to pay the taxes herein imposed upon stockbrokers, real-estate brokers, or pawnbrokers.

"Stockbroker" includes all persons whose business it is, for themselves or others, to negotiate purchases or sales of stocks, bonds, exchange, bullion, coined money, banknotes, promissory notes, or other securities.

"Money lender" includes all persons who make a practice of lending money for themselves or others at interest.

"Real estate broker" includes all persons whose business it is, for themselves or others, to negotiate purchases or sales of lands, buildings, or interest therein, or to negotiate loans secured by lands, buildings, or interest therein, or to rent real estate for others or to collect rents thereon.

"Merchandise broker," or "corredor," includes all persons, other than commission merchants and salaried employees, whose occupation it is to bring about sales of merchandise for other persons, or to bring proposed buyers and sellers together, for a compensation.

SEC. 47. Increase of tax on cockpits.—A municipal council may by ordinance in any year fix the tax for the ensuing calendar year or years on any cockpit in any such municipality at a larger amount than that stated above.

Written notice of such action shall be sent to the Collector of Internal Revenue before the same shall become effective.

SEC. 48. Reduction of tax on race tracks.—The provincial board of any province may in any year reduce the per diem tax on race tracks for the ensuing calendar year or years to any amount not less than twenty pesos; but no such reduction shall be made for the city of Manila.

Written notice of such action shall be sent to the Collector of Internal Revenue before the same shall become effective.

SEC. 49. Privilege secured by payment of tax.—A person who has paid the tax as a manufacturer of distilled spirits, manufactured liquors or wines, fermented liquors, cigars, cigarettes, snuff, or other manufactured tobacco may, without further payment of privilege tax, sell his products at wholesale and in the original packages at the place of manufacture, but not otherwise.

A retail liquor dealer may without further payment of privilege tax engage in business as a retail vino dealer; and a retail dealer in fermented liquors may without further payment engage in business as a retail tuba dealer.

SEC. 50. Continuation of business of deceased person.—When any individual paying a business tax dies and the same business is continued by the person or persons interested in his estate no additional payment shall be required for the residue of the term for which the tax was paid.

SEC. 51. Removal of business to other location.—Any business for which the privilege tax has been paid may, subject to the Regulations of the Bureau, be removed and continued in any other place in the same municipality without the payment of additional tax during the term for which the payment was made.

SEC. 52. Revocation of privilege.—When a person doing business either under the provisions of this Act or by virtue of a license granted by a municipality as a retail liquor dealer, retail vino dealer, dealer in fermented

liquors, or as a peddler of tobacco or liquor, is abusing his privilege or license to the injury of the public morals or peace, or when a place where any such business is established has been or is conducted in a disorderly or unlawful manner, or is a nuisance, or is permitted to be used as a resort for disorderly characters, criminals, or women of ill repute, the Collector of Internal Revenue may, after due investigation, revoke such privilege or license by summary order, subject to appeal to the Governor-General, whose action on the appeal shall be final. Such revocation shall operate to forfeit all sums which may have been paid for said license and to prohibit the issuance to the person whose license is so revoked of any other liquor license for a term which may be fixed in said order.

SEC. 53. Amount of privilege tax on occupation.—Privilege taxes on occupations shall be collected as follows, the amount stated being the sum due for the whole year:

- (a) Customs and immigration brokers, eighty pesos;
- (b) Lawyers, medical practitioners, land surveyors, architects, public accountants and civil, electrical, mechanical, or mining engineers, fifty pesos;
- (c) Pharmacists and dental surgeons, forty pesos;
- (d) Photographers, lithographers, engravers, and professional appraisers or connoisseurs of tobacco and other domestic or foreign products, forty pesos;
- (e) Procuradores judiciales or agentes de negocios, forty pesos;
- (f) Veterinarians and farriers, twenty pesos;
- (g) Midwives and cirujanos ministrantes in medicine or dentistry, ten pesos;
- (h) Chiropractists, manicurists, tattooers, and masseurs, twenty pesos.

"Medical practitioner" includes persons engaged in the practice of medicine in other capacity than that of cirujano ministrante or midwife solely, but excluding physicians or surgeons temporarily called in consultation from another country-

"Agente de negocios" includes all persons who act as the agents of others in the transaction of business with any public officer, and all solicitors of insurance, as well as those who conduct collecting, advertising, employment, or private detective agencies.

SEC. 54. Exemption of persons employed by Government and or engaged in work of charity.—No occupation tax shall be imposed upon persons in any branch of the service of the Government of the United States or of the Government of the Philippine Islands whose entire professional services are devoted exclusively to such governments or are applied under their direction, nor upon persons devoting their entire professional services to any religious, educational or charitable institution, or hospital, sanitarium, or to any similar establishment not conducted for private gain.

ARTICLE V.—Specific taxes.

SEC. 55. Articles subject to specific tea.—Specific internal-revenue taxes apply to things manufactured or produced in the Philippine Islands for domestic sale or consumption and to things imported from the United States or foreign countries, but not to any thing produced or manufactured here which shall be removed for exportation and is actually exported without returning to the Islands, whether so exported in its original state or as an ingredient or part of any manufactured article or product.

In case of importations the internal-revenue tax shall be -i in addition to the customs duties, if any.

No specific tax shall be collected on any articles sold and Army delivered directly to the United States Army or Navy for actual use or issue by the Army or Navy, and any taxes which have been paid on articles so sold and delivered for such use or issue shall be refunded upon such sale and delivery or upon the passage of this Act.

SEC. 56. Payment of specific tax on domestic products.— Specific taxes on domestic products shall be paid by the

manufacturer, producer, owner, or person having possession, of the same; and except as otherwise especially allowed such taxes shall be paid immediately before removal from the place of production.

SEC. 57. Payment of specific tax on imported articles.—Internal-revenue taxes on imported articles shall be paid by the owner or importer to the customs officers, conformably with regulations of the Bureau of Internal Revenue and before the release of such articles from the customhouse.

SEC. 58. Specific tax on distilled spirits.—Upon distilled spirits there shall be collected, except as hereinafter provided, specific taxes as follows:

- (a) if produced from sap of the nipa, coconut, or buri palm, or from the juice, sirup, or sugar of the cane, per proof liter, twenty-five centavos;
- (b) If produced from any other material per proof liter, seventy centavos;

This tax shall be proportionally increased for any strength of the spirits taxed over proof spirits.

"Distilled spirits," as here used, includes all substances known as ethyl alcohol, hydrated oxide of ethyl, or spirits of wine, which are commonly produced by the fermentation and subsequent distillation of grain, starch, molasses, or sugar, or of some sirup or sap, including all dilutions or mixtures; and the tax shall attach to this substance as soon as it is in existence as such whether it be subsequently separated as pure or impure spirits or be immediately or at any subsequent time transferred into any other substances either in process of original production or by any subsequent process.

"Proof spirits" is liquor containing one-half its volume of alcohol of a specific gravity of seven thousand nine hundred and thirty-nine ten-thousandths at fifteen degrees centigrade. A proof liter means a liter of proof spirits.

SEC. 59. Mode of computing contents of cask or package.—Every fractional part of a proof liter equal to or greater than a half-liter in a cask or package containing more than one liter shall be taxed as a liter, and any smaller fractional part shall be exempt; but any package of spirits the total contents of which are less than a proof liter shall be taxed as one liter.

SEC. 60. Tax on preparations containing distilled spirits as chief ingredient.—Medicinal and toilet preparations, flavoring extracts, and all other preparations, of which, excluding the water, distilled spirits form the chief ingredient, shall be subject to the same tax as such chief ingredient.

Upon permit from the Collector of Internal Revenue and subject to the regulations of the Bureau, manufacturers of cigars may withdraw from bond free of tax imported wine in specified quantities and grades for use in the treatment of tobacco leaf to be used in the manufacture of cigars; but such wine must first be suitably denatured.

SEC. 61. Exemption in favor of domestic denatured alcohol.—Domestic alcohol of not less than one hundred and eighty degrees proof (ninety per centum absolute alcohol) may, when denatured, be withdrawn from a registered distillery or bonded warehouse without the payment of the specific tax, for the purpose of being used for fuel, light, or power, or for use generally in the arts and industries.

SEC. 62. Removal of spirits for rectification.—Spirits requiring rectification may be removed from the place of their manufacture to some other establishment for the purpose of rectification without the prepayment of the specific tax, provided the distiller removing such spirits and the rectifier receiving them shall file with the Collector of Internal Revenue their joint bond conditioned for the future payment by the rectifier of the specific tax that may be due on any finished product.

SEC. 63. Specific tax on wines.—On wines and imitation wines there shall be collected, per liter of volume capacity regardless of proof, the following taxes :

- (a) Sparkling wines, one peso;
- (b) Still wines containing fourteen per centum of alcohol or less, eight centavos;
- (c) Still wines containing more than fourteen per centum of alcohol, fifteen centavos; Imitation wines containing more than twenty-five per centum of alcohol shall be taxed as distilled spirits.

SEC. 64. Specific tax on fermented liquors.—On beer, fermented liquors. Amended lager beer, ale, porter, and other fermented liquors (except tuba, bassi, tapuy, and similar domestic fermented liquors) there shall be collected, on each liter of volume capacity, four centavos.

SEC. 65. Removal of fermented liquors to bonded warehouse.—Any brewer may remove or transport or cause to be removed or transported from his brewery or other place of manufacture to a bonded warehouse, used by him exclusively for the storage or sale in bulk of fermented liquor of his own manufacture, any quantities of such fermented liquors not less than one thousand liters at one removal, without paying the tax thereon at the time of removal from the place of manufacture, under a permit which shall be granted by the Collector of Internal Revenue; and thereafter the manufacturer of such fermented liquor shall pay the tax in the same manner and under the same penalty and liability as when paid at the brewery, as provided in this Act. Such permits shall be affixed to every package so removed, and shall be canceled or destroyed in such manner as the Collector of Internal Revenue may prescribe.

SEC. 66. Removal of damaged liquors free of tax.—When Damaged liquors, any fermented liquor has become sour or otherwise damaged so as to be unfit for use as such, brewers may sell and, after securing a special permit from the Collector of Internal Revenue and under the regulations of the Bureau, remove the same without the payment of the tax thereon to any place where such liquor is to be used for manufacturing purposes, in casks or other packages, unlike those ordinarily used for fermented liquors, containing each not less than one hundred and seventy-five liters and having a note of their contents marked thereon.

SEC. 67. Specific tax on products of tobacco.—On manufactured products of tobacco, except cigars and cigarettes, but including all other tobacco twisted by hand or reduced into a condition to be consumed in any manner other than by the ordinary mode of drying and curing; and on all tobacco prepared or partially prepared for sale or consumption, even if prepared without the use of any machine or instrument and without being pressed or sweetened; and on all fine-cut shorts and refuse, scraps, clippings, cuttings, and sweepings of tobacco, there shall be collected, on each kilogram, forty-eight centavos.

SEC. 68. Exemption of products intended for industrial use.—Products of tobacco entirely unfit for chewing or smoking may be removed free of tax for agricultural or industrial use, under such conditions as may be prescribed in the regulations of the Bureau; and fine-cut shorts, the refuse of fine-cut chewing tobacco, refuse, scraps, cuttings, clippings, and sweepings of tobacco may be likewise sold in bulk as raw material by one manufacturer directly to another, without the payment of the tax.

SEC. 69. Specific tax on cigars and cigarettes.—On cigars and cigarettes (except handmade cigars and cigarettes prepared by the consumer for his own consumption and so used) there shall be collected the following taxes:

- (a) Cigars:
  1. When the manufacturer's wholesale price, less the amount of the tax, is twenty pesos per thousand, or less, on each thousand, two pesos;
  2. When the manufacturer's wholesale price, less the amount of the tax, is more than twenty pesos but not more than fifty pesos per thousand, on each thousand, four pesos;
  3. When the manufacturer's wholesale price, less the amount of the tax, exceeds fifty pesos per thousand, on each thousand, six pesos;

(b) Cigarettes:

1. Weighing not more than two kilograms per thousand, on each thousand, one peso;
2. Weighing more than two kilograms per thousand, on each thousand, two pesos.

SEC. 70. Specific tax on matches.—On matches there shall be collected:

- (a) On each gross of boxes containing not more than one hundred and twenty sticks to the box, forty centavos;
- (b) On each gross of boxes containing over one hundred and twenty sticks to the box, a proportionate additional tax.

SEC. 71. Specific tax on opium.—On opium there shall be collected the following tax:

- (a) Crude opium, per net kilo, five pesos;
- (b) Prepared opium, per net kilo, fifteen pesos.

The tax on any medicinal preparation mentioned in the Pharmacopoeia or National Formulary in which opium, morphine, or any alkaloid of opium enters as an ingredient, shall be levied on the quantity of opium, morphine, or alkaloid of opium contained therein, and not on the net weight of the whole preparation. Other preparations containing opium shall be taxed on the net weight of the whole, skimmed milk.

SEC. 72. Tax on skimmed milk.—Upon all condensed skimmed milk and upon all skimmed milk, in whatever form, from which the cream has been removed entirely or in part, sold in the Philippine Islands, there shall be collected, for each kilogram of the gross weight of said milk and containers, twenty centavos.

ARTICLE VI.—Taxes on Resources of Banks, Receipts of Banks, Insurance Companies, and Receipts of Corporations. Paying Franchise Tax.

SEC. 73. Tax on capital, deposits, and circulation of banks.—Subject to the exemptions herein made there shall be collected from banks the following taxes on capital, deposits, and circulation:

- (a) Upon the capital employed by the bank, for each month, one twenty-fourth of one per centum;
- (b) Upon the average amount of deposits of money, subject to payment by check or draft, or represented by certificates of deposit, or otherwise, whether payable on demand or at some future day, for each month, one-eighteenth of one per centum;
- (c) Upon the average amount of circulation issued by the bank, including as circulation all notes and other obligations calculated or intended to circulate or be used as money, but not including such as may be retained in the vault of the bank or redeemed and on deposit for said bank, for each month, one-twelfth of one per centum;
- (d) Upon the average amount of such circulation issued as above, being beyond the amount of the paid-in capital of the bank, for each month, and as an additional tax, one per centum.

"Bank" as herein used, includes every incorporated or other bank, and every person, association, or company having a place of business where credits are opened by the deposit or collection of money or currency subject to be paid or remitted upon draft, check, or order, or where money is advanced or loaned on stocks, bonds, bullion, bills of exchange, or promissory notes are received for discount or for sale.

"Capital employed" does not include money borrowed or received from time to time in the usual course of business from any person not a partner of or interested in such bank; and no tax shall be imposed on the capital employed by any person whose sole business is lending money on real-estate security.

SEC. 74. Time for payment of tax; increase of tax in case of delinquency.—These taxes shall be due at intervals of six months, namely, on the first of January and July for the respective preceding half year periods; and if any such

tax remains unpaid for four months thereafter, the amount of the tax shall be increased by twenty-five percent, the increment to be a part of the tax.

SEC. 75. Banker's semiannual report of business done.— A report of the monthly amount of capital, deposits, and circulation shall be rendered on or before the first of May and first of November of each year by each bank subject to the tax above prescribed, with a declaration annexed thereto under oath of the president, cashier, manager, or proprietor to the effect that such report contains a true, faithful, and correct statement of the amounts subject to tax as aforesaid for the period therein covered.

SEC. 76. Computing resources of bank incorporated abroad.—The amount of capital used by a bank within the Philippine Islands, when such bank is a branch of a bank incorporated under laws of the United States or a foreign country, shall, for the purposes of assessment hereunder, be determined in the following manner: The total amount of the capital of the bank shall be ascertained, and, likewise, the total amount of the net earnings of the bank accruing during the preceding six months, and also the total amount of the net earnings accruing from the bank's business conducted in the Philippine Islands; and such a proportion of the total capital of the bank shall be deemed to have been employed in the Philippine Islands as the net earnings in the Philippine Islands bear to the total net earnings of the bank.

SEC. 77. Exemption of savings institutions.—The deposits in associations or companies known as provident institutions, savings banks, savings funds, or savings institutions, having no capital stock and which do no other business than receiving deposits to be loaned or invested for the sole benefit of the parties making such deposits and without profit or compensation to the association or company, shall be exempt from this tax on so much of their deposits as such institutions have invested in securities satisfactory to the Insular Treasurer and on all deposits, not exceeding four thousand pesos, made in the name of any one person. Reduced circulation.

SEC. 78. Exemption in case of reduced circulation.— When the outstanding circulation of any bank is reduced to an amount not exceeding five per centum of the chartered or declared capital existing at the time the same was issued, such circulation shall be free from taxation; and when any bank which has ceased to issue notes for circulation deposits with the Insular Treasurer, in lawful money, the amount of its outstanding circulation to be redeemed at par, under such regulations as the Insular Treasurer may prescribe, it shall be exempt from any tax upon said circulation.

SEC. 79. Tax on insurance premiums.—There shall be collected from every person, company, or corporation (except purely cooperative companies or associations) doing insurance business of any sort in the Philippine Islands a tax of one per cent of the total premiums collected during each calendar year, whether paid in money, notes, credits, or any substitute for money, but premiums refunded within six months after payment on account of rejection of risk or returned for other reason to persons insured shall not be included in the taxable receipts; nor shall any tax be paid upon reinsurance by a company that has already paid the tax.

"Cooperative companies or associations" are such as are conducted by the members thereof with money collected from among themselves and solely for their own protection and not for profit.

SEC. 80. Time for payment of tax; increase of tax in case delinquency.—The tax on insurance companies shall be due on the first of July in each year for the preceding calendar year, and if the same remains unpaid for fifteen days thereafter the amount of the tax shall be increased by twenty-five per centum, the increment to be a part of the tax.

SEC. 81. Yearly report from insurance company.—Every company liable to the payment of the aforesaid tax shall, on or before the first day of April in each year, render a statement in writing, in such form as the Collector of

Internal Revenue shall prescribe, containing an account of the conditions of its business during the calendar year last preceding, the entire amount of all premiums and other considerations received during such year, and such additional information as the Collector may require.

SEC. 82. Tax on corporate franchises.—There shall be collected in respect to all existing and future franchises, upon the gross earnings or receipts from the business covered by the law granting the franchise, such taxes, charges, and percentages as are specified in the special charters of the corporations upon whom such franchises are conferred, and for the purpose of facilitating the assessment of this tax reports shall be made by the respective holders of the franchises in such form and at such times as shall be required by the regulations of the Bureau of Internal Revenue.

Article VII.—Charges for forest products.

SEC. 83. Division of trees into groups.—The various Native trees, native trees shall be divided into four groups:

The first group shall include acle, baticulin, betis, camagon, ebony, ipil, lanete, mancono, molave, narra, tindalo, and yacal.

The second group shall include alupag, aranga, banaba, bansalaguin, banuyo, batitinan, bolongeta, calamansanay, calantas, dungon, guiyo, macaasin, malacadios, mangacha-puy, palo maria, supa, teak, and tucan-calao.

The third group shall include agoho, amuguis, anubing, apitong, batino, bitanhol, calumpit, catmon, dalinsi, dita, dungonlate, malacmalac, malapapaya, malasantol, mayapis, nato, palosapis, panao, sacat, santol, tamayuan, and tanguile.

The fourth group shall include all varieties not included in any of the other groups.

SEC. 84. Measuring of forest products and collection of charges thereon.—The duties incident to the measuring of forest products and the collection of the charges thereon shall be discharged by the Bureau of Internal Revenue, under the regulations of said Bureau.

Employees of the Bureau of Forestry may be deputized by the Collector of Internal Revenue for the performance of duties incident to the measuring and invoicing of forest products when the Director of Forestry deems such course advisable for the protection of the forest revenues and is willing to supply the services of such employees at the expense of the Bureau of Forestry.

SEC. 85. Mode of measuring timber other than firewood.—Timber other than firewood shall be measured and invoiced in accordance with Act Numbered Eleven hundred and forty-eight, as amended.

SEC. 86. Charges for timber cut in public forests.—Except as otherwise specially provided, the following charges shall be made for each cubic meter of timber cut in any~timber-public forest or forest reserve in the Philippine Islands whether removed therefrom or not:

- (a) On timber in the first group not including ebony and camagon stripped of sapwood, two pesos and fifty centavos;
- (b) On ebony stripped of sapwood, six pesos;
- (c) On camagon stripped of sapwood, four pesos and fifty centavos;
- (d) On timber in the second group, one peso and fifty centavos;
- (e) On timber in the third group, not including firewood, one peso;
- (f) On timber in the fourth group, not including firewood, fifty centavos.

SEC. 87. Charges for firewood cut in public forests.—For firewood cut in public forests and forest reserves the following charges shall be made:

For bacauan and tangal, per cubic meter, twenty centavos ;

For other woods, per cubic meter, ten centavos. Only third or fourth group timber can be taken for firewood, and to come under this head the pieces must not be more than one and one-half meters in length nor more than fifteen centimeters in diameter.

SEC. 88. Charges collectible for wood cut from unregistered private lands.—The charges above prescribed shall be collected for all wood cut upon any land the title to which is not registered with the Director of Forestry as required by the Forest Law; and in the absence of such registration wood cut and removed from alleged private lands shall be considered as cut and removed under license from public forests or forest reserves, and shall be subject to the law and regulations in such case applicable.

SEC. 89. Surcharge for illegal cutting and removal of forest products, or for delinquency.—Where forest products are unlawfully cut or gathered in any public forest without license or, if under license, in violation of the terms thereof, the charges for such products shall be doubled. If any such products be removed without invoice, or upon removal be , discharged without permit from boat, car, cart, or other means of transportation, the charges shall be increased per centum; and if, in any case, the proper charges upon forest products be not paid within thirty days after the same shall be due and payable, such charges shall be increased by fifty per centum.

SEC. 90. Charge for timber cut for use on mining claim.—When a license is granted by the Bureau of Forestry allowing a miner or mining company to cut timber for the development of a mining claim on land other than such as is covered by his claim the charges for timber so cut shall be one-half the prices hereinabove fixed.

SEC. 91. Charges for gums, resins, and other forest products.—On gums, resins, rattan, and other products of the forest gathered or removed from any public forest or forest reserve, and not hereinabove provided for, there shall be paid on the market value thereof, determined in the manner indicated below, a charge of ten per centum, value.

The market value of the various forest products for which charges may thus be made shall be determined from time to time by a joint assessment of the Collector of Internal Revenue and Director of Forestry, the same to be published for the information of the public in the Official Gazette. Where the value of any forest product included in this section is not determined and published in the manner specified, such product may be taken free of charge.

SEC. 92. Charges for stone and earth taken from forests.—For stone or earth taken from the public forests and forest reserves such charges shall be made as may be fixed in particular cases by the Director of Forestry, with the approval of the Secretary of the Interior.

SEC. 93. No charge for products lawfully removed under gratuitous license.—No charge shall b made on forest products removed in conformity with the terms of a gratuitous license of the Bureau of Forestry and in compliance with the law and the regulations of such Bureau.

SEC. 94. Gratuitous licensees subject to regulations of Internal Revenue.—Gratuitous licensees to group timber under license from the Bureau of Forestry must comply with the Regulations of the Bureau of Internal Revenue in regard to the removal of such timber and shall submit on the proper forms full invoices showing the amount cut by them.

SEC. 95. Time for payment of forest charges.—Except Time for as hereinbelow provided, the charges for forest products shall be payable at the time of the removal of the same from the forest.

With the approval of the Collector of Internal Revenue, shipments, lumber may be removed from a sawmill situated on a licensed cutting area upon the giving of a bond conditioned for the monthly payment of the charges due upon the output of such mill. He may also authorize the shipment of forest products under auxiliary invoices

without the prepayment of charges, when the same are shipped by sea in steam or sailing vessels and the proper charges are secured by proper bonds.

ARTICLE VIII.—Fees for Testing and Sealing Weights and Measures.

SEC. 96. Fees for sealing linear metric measures.—Fees Linear metric for sealing linear measures of the metric system shall be as follows :

- (a) Measures not over one and one-half meters, ten centavos;
- (b) Measures over one and one-half meters, twenty centavos.

SEC. 97. Fees for sealing English linear measures.—Fees for sealing linear measures of the English system, allowable only when such measures are to be used in measuring manufactured lumber, shall be as follows:

- (a) Measures not over one yard, ten centavos;
- (b) Measures over one yard, twenty centavos.

SEC. 98. Fees for sealing metric measures of capacity.—Fees for sealing metric measures of capacity shall be as follows:

- (a) For a measure not over ten liters, twenty centavos;
- (b) For a measure over ten liters, thirty centavos.

SEC. 99. Fees for sealing metric instruments of weight.—Fees for sealing instruments for determining weight graduated solely in the metric system shall be as follows:

- (a) Those having a capacity of over three thousand kilograms, three pesos;
- (b) Those having a capacity of not over three thousand but over three hundred kilograms, one peso and twenty centavos;
- (c) Those having a capacity of not over three hundred but more than thirty kilograms, sixty centavos;
- (d) Those with a capacity not greater than thirty kilograms, thirty centavos.

For an apothecary balance or other balance of precision the charge shall be doubled.

With each scale or balance a complete set of weights for use therewith shall be sealed free of charge. For each extra weight the charge shall be five centavos.

ARTICLE IX.—Tax on Signs, Signboards, and Billboards.

SEC. 100. Tax on signs, signboards, and billboards.—No person shall display, maintain on his premises, or erect any outdoor sign, signboard, or billboard in a place exposed to public view until a license for each location therefor shall have been secured from the Bureau of Internal Revenue, for which a fee of one peso and fifty centavos shall be charged, and such person shall not later than three days after such sign, signboard, or billboard has been displayed or erected pay an annual tax thereon at the following rates, which tax shall cover only the signs, signboards, or billboards designated and displayed at the place specified in the license:

- (a) Signs and signboards on buildings used for business purposes, per square meter, two pesos and fifty centavos;
- (b) Electric signs, billboards, and spaces used for posting or displaying temporary signs, and all signs displayed on premises not occupied by buildings, per square meter, four pesos.

No tax shall be collected under this section on signs or signboards announcing exclusively the name or style, address, and nature of business of a person when the sign or signboard appears on the premises in which the business of such person is carried on; but such person shall not be exempted from complying with all other requirements of this Act with reference to signs, signboards, and billboards.

Any signboard, or billboard which shall be displayed or erected without a license having been issued therefor as herein required shall be forfeited to the Government. No sign, signboard, or billboard shall be erected or displayed on public lands or buildings. If after due investigation the Collector of Internal Revenue shall decide that any sign, signboard, or billboard displayed or exposed to public view is offensive to the sight or is otherwise a nuisance, he may by summary order direct the removal of such sign, signboard, or billboard, and if same is not removed within ten days after he has issued such order he may himself cause its removal, and the sign, signboard, or billboard shall thereupon be forfeited to the Government, and the owner thereof charged with the expenses of the removal so effected. When the sign, signboard, or billboard ordered to be removed as herein provided shall not comply with the provisions of the general regulations of the Collector of Internal Revenue, no rebate or refund shall be allowed for any portion of a year for which the taxes may have been paid. Otherwise, the Collector of Internal Revenue may in his discretion make a proportionate refund of the tax for the portion of the year remaining for which the taxes were paid. An appeal may be had from the order of the Collector of Internal Revenue to the Secretary of Finance and Justice whose decision thereon shall be final.

Nothing in this section shall be construed to abridge the power of any municipality or city to regulate advertising agencies or to suppress outdoor advertising as a nuisance.

### **CHAPTER THREE.**

#### **ADMINISTRATIVE PROVISIONS.**

ARTICLE I.—Provisions Relative to Persons and Establishments Subject to Privilege Taxes.

SEC. 101. Registration of name or style with provincial treasurer.—Every person engaged in any business or occupation on which a privilege tax is imposed by law shall register with the provincial treasurer his name or style, place of residence, business or occupation, and the place where such business or occupation is carried on. In case of a firm the names and residences of the various persons constituting the same shall also be registered.

SEC. 102. Sign to be exhibited by distiller or rectifier.—Every person engaged in distilling or rectifying spirits, and every wholesale liquor dealer, shall keep conspicuously on the outside of his place of business a sign exhibiting, in letters not less than six centimeters high, his name or firm style, with the words "Registered distiller," "Rectifier of spirits," or "Wholesale liquor dealer," as the case may be, and his assessment number.

SEC. 103. Sign to be exhibited by manufacturer of products of tobacco.—Every manufacturer of cigars, cigarettes, or tobacco, and every wholesale dealer in leaf tobacco or manufactured products of tobacco shall place and keep on the outside of the building wherein his business is carried on, so that it can be distinctly seen, a sign stating his full name and business in letters not less than six centimeters high, and also giving his assessment number in figures.

SEC. 104. Exhibition of certificate of payment at place of business.—The certificate or receipt showing payment of tax issued to a person engaged in a business or occupation subject to a privilege tax shall be kept conspicuously exhibited in plain view in or at the place where the business is conducted or occupation plied; and in case of a peddler or other person not having a fixed place of business shall be kept in the possession of the holder thereof, subject to production upon the demand of any internal-revenue officer.

ARTICLE II.—Provisions Regulating Business of Persons Dealing in Articles Subject to Specific Tax.

SEC. 105. Extent of supervision over establishments producing taxable output.—The Bureau of Internal Revenue has authority to supervise establishments where articles subject to a specific tax are made and to prescribe regulations as to the mode in which the processes of production shall be conducted in so far as may be necessary to secure a sanitary output and to safeguard the revenue.

SEC. 106. Records to be kept by manufacturers; assessments based thereon.—The Collector of Internal Revenue is authorized to prescribe, by regulation, the records which shall be kept by manufacturers of articles subject to specific tax, and such records, whether of raw materials received into the factory or of articles produced therein shall be deemed public and official documents for all purposes.

The records of raw materials kept by such manufacturers may be used as a species of evidence by which to determine the amount of specific taxes due from them and whenever the amount of raw materials received into any factory exceeds the amount of manufactured or partially manufactured products on hand and lawfully removed from the factory, plus waste removed or destroyed, and a reasonable allowance for unavoidable loss in manufacture, the Collector of Internal Revenue may assess and collect the tax due on the products which should have been produced from the excess.

SEC. 107. Premises subject to approval by Collector.—No person shall engage in business as a manufacturer of articles subject to a specific tax unless the premises upon which the business is to be conducted shall have been approved by the Collector of Internal Revenue.

SEC. 108. Labels and form of packages prescribed by Collector.—All articles of domestic manufacture subject to a specific tax and all leaf tobacco shall be put up and prepared by the manufacturer or producer, when removed for sale or consumption, in such packages only and bearing such marks or brands as shall be prescribed in the Bureau Regulations; and goods of similar character imported into the Islands shall likewise be packed and marked in such manner as may be required.

SEC. 109. Removal of articles after payment of tax.—When the tax has been paid on articles or products subject to a specific tax the same shall not thereafter be stored or permitted to remain in the distillery, distillery warehouse, bonded warehouse, or other factory or place where produced.

SEC. 110. Proof of exportation; exporter's bond.—Exporters of goods that would be subject to a specific tax if sold or removed for consumption in the Philippine Islands shall submit proof of exportation satisfactory to the Collector of Internal Revenue, and when the same is deemed necessary, shall be required to give a bond prior to the removal of the goods for shipment, conditioned for the exportation of the same in good faith.

SEC. 111. Manufacturers' and importers' bonds.—Manufacturers and importers of articles subject to a specific tax shall give bond in an amount equal, as nearly as can be estimated, to twenty per cent of the taxes payable by them during an average year. Which bond shall be conditioned for the faithful compliance, during the time such business is followed, with the law and regulations relating to such business and for the payment of all taxes lawfully accruing in respect to the goods manufactured or imported, as well as for the satisfaction of all fines and penalties imposed by the Internal Revenue Law. No such bond shall be required in an amount exceeding twenty-five thousand pesos nor be received in a sum less than two hundred pesos.

SEC. 112. Records to be kept by wholesale dealers.—Wholesale dealers shall keep records of their purchases and sales or deliveries of articles subject to a specific tax, in such form as shall be prescribed in the Bureau Regulations. These records and the entire stock of goods subject to tax shall be open at all times to the inspection of internal-revenue officers.

SEC. 113. Records to be kept by dealers in leaf tobacco.—Dealers in leaf tobacco shall keep records of the product sold or delivered by them to other persons in such manner as may be prescribed in the Regulations of the Bureau of Internal Revenue, such records to be at all times open to the inspection of internal-revenue officers.

SEC. 114. Preservation of invoices and stamps.—All dealers whosoever shall preserve all official invoices received

by them from manufacturers, together with the fractional parts of stamps affixed thereto and upon demand shall deliver or transmit the same to any internal-revenue officer.

SEC. 115. Information to be given by manufacturers of distilling apparatus.—Manufacturers of stills, boilers, or other vessels to be used for distilling shall, before any such apparatus or utensil is removed from the place of manufacture, give written information to the Collector of Internal Revenue as to the nature and capacity of the same, the time when it is to be removed, and the place for which it is destined, as well as the name of the person by whom it is to be used; and such still, boiler, or vessel shall not be set up without a permit in writing from the Collector of Internal Revenue.

SEC. 116. Establishment of distillery warehouses.—Every distiller, when so required by the Collector of Internal Revenue, shall provide at his own expense a warehouse, to be situated on and to constitute a part of his distillery premises and to be used only for the storage of distilled spirits of his own manufacture until the tax thereon shall have been paid; but no dwelling house shall be used for such purpose. Such warehouse, when approved by the Collector of Internal Revenue, is hereby declared to be a bonded warehouse, to be known as a distillery warehouse.

SEC. 117. Custody of distillery warehouse.—Every warehouse shall be in the joint custody of the storekeeper, if one is assigned thereto, and of the proprietor thereof. It shall be kept securely locked, and shall at no time be unlocked or opened or remain unlocked or open unless in the presence of such storekeeper or other person who may be designated to act for him as provided by law.

SEC. 118. Limitation on quantity of spirits removed from warehouse.—No distilled spirits shall be removed from any distillery, distillery warehouse, or bonded warehouse in quantities of less than fifteen gauge liters at any one time, except bottled goods, which may be removed by the case of not less than twelve bottles.

SEC. 119. Requirements incident to process of denaturing alcohol.—Where alcohol is withdrawn free of tax for use in the arts and industries, the process of denaturing shall be effected either on the distillery premises or in a bonded warehouse designated by the Collector of Internal Revenue for denaturing purposes only. To such warehouses alcohol may be transferred under bond and under conditions -prescribed in the Bureau Regulations.

SEC. 120. Recovery of alcohol for use in arts and industries.—Manufacturers employing processes in which denatured alcohol used in arts and industries is expressed or evaporated from the articles manufactured may, under regulations to be prescribed by the Bureau, be permitted to recover the alcohol so used and restore it again to a condition suitable solely for use in manufacturing processes.

SEC. 121. Supervision over rectification and compounding of liquors.—Persons engaged in the rectification or compounding of liquors shall, as to the mode of conducting their business and supervision over the same, be subject to all the requirements of law applicable to distilleries, but if they make use of spirits upon which the specific tax has been paid no further tax shall be collected on any liquors produced exclusively therefrom.

SEC. 122. Authority of officer in searching for taxable articles.—Any officer or agent of internal revenue may in the discharge of his official duties enter any house, building, or place where articles subject to an internal-revenue tax are produced or kept, or are believed by him upon reasonable grounds to be produced or kept, so far as may be necessary to examine or discover the same.

SEC. 123. Detention of package containing taxable articles.—Any revenue officer may detain any package containing or supposed to contain articles subject to a specific tax when he has good reason to believe that the lawful tax has not been paid or that the package has been or is being removed in violation of law, and every such package shall be held by such officer in a safe place until it shall be determined whether the property so detained

is liable by law to be proceeded against for forfeiture; but such summary detention shall not continue in any case longer than seven days without process of law or intervention of the officer to whom such detention is to be reported.

SEC. 124. Inscription to be placed on skimmed milk.— All condensed skimmed milk and all milk, in whatever form, from which the fatty part has been removed totally or in part, sold or put on sale in the Philippine Islands, shall be clearly and legibly marked on its immediate containers, and in all the languages in which such containers are marked, with the words "this milk is not suitable for nourishment for infants less than one year of age," or with other equivalent words.

ARTICLE III.—General Provisions Relative to Weights and Measures.

SEC. 125. Standard weights and measures in Philippine Islands.—The weights and measures to be used throughout the Philippine Islands are those of the metric system, with the following units:

- (a) The unit of length is the standard meter, being the one ten-millionth part of the distance from the equator to
- (b) The unit of area is either the square meter or an area of one hundred square meters known as the are;
- (c) The unit of cubical contents or capacity is either the cubic meter or the one-thousandth part thereof known as the liter;
- (d) The unit of weight is the gram;

The length of the standard meter shall be determined for the Philippine Islands by the length at the temperature of zero degrees centigrade of the fundamental standard measure Numbered Seventy-one, now preserved in the Bureau of Science and certified to by the International Bureau of Weights and Measures.

The weight of the standard gram shall be determined for Philippine Islands by the weight at Manila of one-millionth of a cubic meter of pure water at the temperature of four degrees centigrade, or the one-thousandth part of the standard kilogram certified to by the International Bureau of Weights and Measures, designated by the symbol "L" and now preserved in the Bureau of Science.

SEC. 126. Weights and measures of metric system alone legal; exception in case of lumber.—Save in the purchase and sale of manufactured lumber the use of other weights and measures than those of the metric system shall not be legal, and said system, with its recognized scales, shall be used in all contracts, deeds, and other instruments publicly and officially attested, and in all official documents; and subject to the same exception only weights and measures of the metric system shall be officially sealed and licensed.

In the purchase and sale of manufactured lumber the English system of measures may be employed; and in ordering commodities or articles from abroad such weights and foreign orders, measures may be employed as are commonly used in the country to which the order is sent or from which the goods are shipped.

SEC. 127. Secondary standards preserved by provincial treasurers; testing of same.—For use in the testing of weights and measures in the provinces, provincial treasurers shall keep full sets of secondary standards in the provincial buildings. The Collector of Internal Revenue shall be responsible for the inspection and proper testing of all provincial and municipal standards of weight and measure.

SEC. 128. Comparison of secondary and fundamental standards.—The comparison of the secondary and fundamental standards shall be made in the Bureau of Science at the instance of the Collector of Internal Revenue. When found to be sufficiently accurate the secondary standard shall be distinguished by a label, tag, or seal and shall be accompanied by a certificate showing the amount of its variation from the fundamental standard. If the variation is of sufficient magnitude to impair the utility of the instrument, it shall be destroyed in the Bureau of Science.

SEC. 129. Inspectors of weights and measures.—Internal-revenue agents shall inspect and test balances or scales, weights and measures, and report upon the condition thereof in the territory assigned to them. It shall be their duty to collect evidence of infringements of the law or of fraud in the use of weights and measures or of neglect of duty on the part of any officer engaged in sealing weights and measures. Evidence so collected by them shall be presented forthwith to the Collector of Internal Revenue and also to the proper prosecuting officer.

SEC. 130. Sealers of weights and measures.—The sealing and licensing of weights and measures shall be the duty of the provincial treasurers and their deputies, and for the purposes of this law such officers shall be termed sealers of weights and measures.

SEC. 131. Destruction of defective instrument of weight or measure.—Any defective instrument of weight or measure may be destroyed by any inspector or sealer of weights and measures if its defect is such that it cannot readily and securely be repaired.

SEC. 132. Testing of instruments used in Government work.—All measures and instruments for determining weight used in the Government work or maintained for public use by any province or municipality shall be tested and sealed free of charge.

SEC. 133. Form and duration of license for use of weights and measures.—The receipt for the fee charged for the sealing of weights and measures shall serve as a license to use such instrument for one year from the date of sealing, unless deterioration or damage occurs in that period which renders the weight or measure inaccurate. Such receipt shall be preserved by the owner and shall be exhibited on demand of any internal-revenue officer.

SEC. 134. Dealers' permit to keep unsealed weights and weights measures.—Upon obtaining written permission from the Collector of Internal Revenue any dealer may keep instruments of weight and measure in stock for sale without sealing, until sold or used.

#### ARTICLE IV.—Provisions Relative to Prohibited Drugs.

SEC. 135. Words and phrases defined.—"Prohibited drug," as herein used, includes opium, cocaine, alpha, and beta eucaine, their derivatives, and all preparations made from them.

"Opium" embraces every kind, class, and character of opium, whether crude, prepared, ash, or refuse, and all narcotic preparations thereof or therefrom, and all morphine or alkaloids of opium and all preparations in which opium, morphine, or any alkaloid of opium enters as an ingredient, together with all opium leaves and wrappings of opium leaves, whether such leaves or wrappings are prepared for use or not.

SEC. 136. Lawful possession and uses of prohibited drugs specified.—Prohibited drugs may be lawfully kept, used, administered, and dealt in under the following conditions and by the following persons only:

- (a) Duly licensed and practicing physicians, dentists, and veterinarians may prescribe and administer, or cause to be administered, prohibited drugs as medicine or anesthetic and may receive and keep the same in their possession for such use;
- (b) Government Bureaus or officers of the Government duly designated in writing for such purpose by the Governor-General may receive, keep, use, and dispose of such drugs in accordance with law, and the same may be lawfully sold, transferred, or delivered to them;
- (c) Pharmacists and second-class pharmacists may receive, keep, and dispense prohibited drugs upon the prescription of a duly licensed and practicing physician, dentist, or veterinarian, and upon permit from the Collector of Internal Revenue may transfer and deliver the same to other pharmacists and second-class pharmacists or to any person or institution lawfully authorized to receive the same.

SEC. 137. Importation of opium; storage of same.—Opium shall be imported only by the Philippine Government

through the Bureau of Internal Revenue; and all imported opium, after the payment of duties, taxes, and charges, shall be delivered by the customs authorities to the Collector of Internal Revenue for storage in a place to be approved by him. Except in case of fire or similar necessity, opium so stored shall be removed only for delivery to a person authorized to receive the same, and before removal from storage the drug shall be marked or labeled in such manner as may be prescribed in the Regulations of the Bureau.

A reasonable charge may be made for such storage, to be paid before the opium is removed.

SEC. 138. Record to be kept by pharmacists; inspection of same.—Physicians, dentists, veterinarians, pharmacists, and second-class pharmacists shall keep true and correct records of all prohibited drugs received and dispensed or transferred by them, in such form and manner as may be prescribed in the Regulations of the Bureau of Internal Revenue.

Such record and the stock of prohibited drugs on hand shall be subject to inspection at all times by the duly authorized officers and agents of the Bureau of Internal Revenue.

## CHAPTER FOUR.

### REMEDIES.

ARTICLE I.—Remedies in General.

SEC. 139. Injunction not available to restrain collection of tax.—No court shall have authority to grant an injunction to restrain the collection of any internal-revenue tax.

SEC. 140. Recovery of tax paid under protest.—When the validity of any tax is questioned, or its amount disputed, or other question raised as to liability therefor, the person against whom or against whose property the same is sought to be enforced shall pay the tax under instant protest, or upon protest within ten days, and shall thereupon request the decision of the Collector of Internal Revenue. If the decision of the Collector of Internal Revenue is adverse, or if no decision is made by him within six months from the date when his decision was requested, the taxpayer may proceed, at any time within two years after the payment of the tax, to bring an action against the Collector of Internal Revenue for the recovery of the sum alleged to have been illegally collected, the process to be served upon him, upon the provincial treasurer, or upon the officer collecting the tax.

SEC. 141. Action to contest forfeiture of chattel.—In case of the seizure of personal property under claim of forfeiture the owner, desiring to contest the validity of the forfeiture, may at any time before sale or destruction of the property bring an action against the person seizing the property or having possession thereof to recover the same, and upon giving proper bond may enjoin the sale; or after the sale and within six months he may bring an action to recover the net proceeds realized at the sale.

SEC. 142. Form and mode of. proceeding in actions arising under Internal Revenue Law.—Civil actions and proceedings instituted in behalf of the Government under the authority of this Act or other law enforced by the Bureau of Internal Revenue shall be brought in the name of the of Government of the Philippine Islands and shall be conducted by the provincial fiscal or the Attorney-General, or by any person designated by the latter; but no civil action for the recovery of taxes or the enforcement of any fine, penalty, or forfeiture under any such law shall be begun without the approval of the Collector of Internal Revenue.

SEC. 143. Authority of Collector to make compromises and to refund taxes.—The Collector of Internal Revenue may compromise any civil or other case arising under this Act or other law within the jurisdiction of his Bureau, may refund taxes erroneously or illegally received, or penalties imposed without authority, and may remit before payment any tax that appears to be unjustly assessed or excessive.

He shall refund the value of internal-revenue stamps when the same are returned in good condition by the purchaser, and may in his discretion redeem or exchange unused stamps that have been rendered unfit for use, and may refund their value upon proof of destruction.

SEC. 144. Satisfaction of judgment recovered against treasurer or other officer.—When an action is brought against any revenue officer to recover damages by reason of any act done in the performance of official duty, and the Collector of Internal Revenue is notified of such action in time to make defense against the same, through the Attorney-General, any judgment, damages, or costs recovered in such action shall be satisfied by the Collector of Internal Revenue upon approval of the Department head, or if the same be paid by the person sued, shall be repaid or reimbursed to him.

No such judgment, damages, or costs shall be paid or reimbursed in behalf of a person who has acted negligently or in bad faith, or with willful oppression.

SEC. 145. Remedy for enforcement of statutory penal provisions.—The remedy for enforcement of statutory penalties of all sorts shall be by criminal or civil action, as the particular situation may require.

SEC. 146. Remedy for enforcement of forfeitures.—The forfeiture of chattels and removable fixtures of any sort shall be enforced by the seizure and sale, or destruction, of the specific forfeited property. The forfeiture of real property shall be enforced by a judgment of condemnation and sale in a legal action or proceeding, civil or criminal, as the case may require.

SEC. 147. Same; when to be sold or destroyed.—Sales of forfeited chattels and removable fixtures shall be effected, so far as practicable, in the same manner and under the same conditions as to public notice and the time and manner of sale as are prescribed for sales of personal property distrained for the nonpayment of taxes.

Prohibited drugs, opium apparatus, liquors, cigars, cigarettes, and other manufactured products of tobacco, and all apparatus used in or about the illicit production of such articles may, upon forfeiture, be destroyed by order of the Collector of Internal Revenue, when the sale of the same for consumption or use would be injurious to the public health or prejudicial to the enforcement of the law.

Forfeited property shall not be destroyed until at least twenty days after seizure.

SEC. 148. Disposition of funds recovered in legal proceedings or obtained from forfeitures.—All judgments and moneys recovered and received for taxes, costs, forfeitures, fines, and penalties shall be paid to the Collector of Internal Revenue or his authorized deputies as the taxes themselves are required to be paid, and except as specially provided, shall be accounted for and dealt with in the same way.

## ARTICLE II.—Civil Remedies for the Collection of Taxes.

SEC. 149. Nature and extent of tax lien.—Every internal-revenue tax on property or on any business or occupation and every tax on resources and receipts, and any increment to any of them incident to delinquency, shall constitute a lien superior to all other charges or liens not only on the property itself upon which such tax may be imposed but also upon the property used in the business or occupation upon which the tax is imposed and upon all property rights therein.

SEC. 150. Civil remedies for collection of delinquent taxes.—The civil remedies for the collection of internal-revenue taxes and any increment thereto resulting from delinquency shall be (a) by distraint of personal property and upon exhaustion thereof by levy upon real property and (b) by legal action. Either of these remedies or both simultaneously may be pursued in the discretion of the authorities charged with the collection of such taxes; but the civil remedy for the collection of the cedula tax shall be exclusively by distraint.

No exemption shall be allowed against the internal-revenue taxes in any case.

SEC. 151. Distraint of personal property.—The remedy by distraint shall proceed as follows: Upon the failure of the person owing any delinquent tax or delinquent revenue to pay the same, at the time required, the Collector of Internal Revenue or his deputy may seize and distraint any personal property belonging to such person or any property subject to the tax lien, in sufficient quantity to satisfy the tax, or charge, together with any increment thereto incident to delinquency, and the expenses of the distraint.

SEC. 152. Same, mode of procedure and disposition of proceeds.—The officer levying the distraint shall make or cause to be made an account of the goods or effects distrained, a copy of which signed by himself shall be left either with the owner or person from whose possession such goods or effects were taken, or at the dwelling or place of business of such person and with some one of suitable age and discretion, to which list shall be added a statement of the sum demanded and note of the time and place of sale; and the said officer shall forthwith cause a notification to be exhibited in not less than two public places in the municipality where the distraint is made, specifying the time and place of sale and the articles distrained. The time of sale shall not be less than twenty days after notice to the owner or possessor of the property as above specified and the publication or posting of such notice. One place for the posting of such notice shall be at the office of the president of the municipality in which the property is distrained. At the time and place fixed in such notice the said officer shall sell the goods, chattels, credits, or effects, so distrained, at public auction, to the highest bidder for cash.

Any residue over and above what is required to pay the entire claim, including expenses, shall be returned to the owner of the property sold. The expenses chargeable upon such seizure and sale shall embrace only the actual expense of seizure and preservation of the property pending the sale, and no charge shall be imposed for the services of the local internal-revenue officer or his deputy.

SEC. 153. Release of distrained property upon payment prior to sale.—If at any time prior to the consummation of the sale all proper charges are paid to the officer conducting the sale, the goods or effects distrained shall be restored to the owner.

SEC. 154. Report of sale to Bureau of Internal Revenue.—Within two days after the sale the officer making the same shall make a report of his proceedings in writing to the Collector of Internal Revenue and shall himself preserve a copy of such report as an official record.

SEC. 155. Levy on real estate after exhaustion of personalty.—When personal effects sufficient to satisfy the entire claim are not found levy may be made on real estate and the same may be subjected to sale in conformity with the provisions of sections seventy-six to seventy-nine, inclusive, of Act Numbered One hundred and eighty-three, as amended by Act Numbered Seventeen hundred and ninety-three of the Philippine Commission, known as the Charter of the city of Manila.

SEC. 156. Inhibition on Government employees to buy at sale.—Public officials and employees of all grades are prohibited from buying real property at a tax sale.

SEC. 57. Further distraint or levy.—The remedy by distraint of personal property and levy on realty may be repeated if necessary until the full amount due, including all expenses, is collected.

SEC. 158. Certificate of sale as evidence of right.—The certificate of sale shall be conclusive evidence of the right of the officer to make such sale and shall transfer to the purchaser all the rights and privileges of such delinquent in and to the property sold as completely as if transferred or assigned by him.

SEC. 159. Purchase by Government at sale upon distraint.—When property advertised for sale under distraint is of

a kind subject to the tax and the tax has not been paid, and the amount bid for such property is not equal to the amount of the tax or is very much less than the actual market value of the articles offered for sale, the provincial treasurer may purchase the same in behalf of the Insular Government for the amount of taxes, penalties, and costs due thereon.

Property so purchased may be resold by the provincial treasurer, subject to the Regulations of the Bureau of Internal Revenue, the net proceeds being paid into the Insular Treasury and accounted for as internal revenue.

SEC. 160. Resale of real estate taken for taxes.—The Collector of Internal Revenue shall have charge of any real estate obtained by the Insular Government of the Philippine Islands in payment of debts, taxes, penalties, or costs arising under the Internal Revenue Law or in compromise or adjustment of any claim therefor; and said Collector may upon the giving of not less than twenty days' notice sell and dispose of the same, at public auction, or with the prior approval of the Secretary of Finance and Justice may dispose of the same at private sale. In either case the proceeds of the sale shall be deposited in the Insular Treasury, and an account of the same shall be rendered to the Insular Auditor.

Chapter Five.

## **PENAL PROVISIONS.**

ARTICLE I.—Offenses Committed by Officers of the Law.

SEC. 161. Statutory offenses of officers and employees.— Every officer, agent, or employee of the Bureau of Internal Revenue acting under the authority of this Act who is guilty of any delinquency hereinbelow specified or who falls within any of the classes hereinbelow indicated shall be punished by a fine of not less than four hundred nor more than ten thousand pesos or by imprisonment for not less than six months nor more than five years, or by both, in the discretion of the court:

- (a) Those guilty of extortion or willful oppression under color of law;
- (b) Those who knowingly demand other or greater sums than are authorized by law or receive any fees, compensation, or reward, except as by law prescribed, for the performance of any duty;
- (c) Those who willfully neglect to give receipts, as by law required, for any sums collected in the performance of duty, or who willfully neglect to perform any of the duties enjoined by law;
- (d) Those who conspire or collude with another or others to defraud the revenues or otherwise violate the law;
- (e) Those who willfully make opportunity for any person to defraud the revenues, or who do or omit to do any act with intent to enable any other person to defraud the revenues;
- (f) Those who negligently or designedly permit the violation of the law by any other person;
- (g) Those who make or sign any false entry or entries in any book, or make or sign any false certificate or return in any case where the law requires the making by them of such entry, certificate, or return;
- (h) Those who, having knowledge or information of a violation of this Act or of any fraud committed on the revenues, fail to report such knowledge or information to their superior officer, or to report as otherwise required by law ;
- (i) Those who, without the authority of law, demand or accept, or attempt to collect directly or indirectly, as payment or otherwise, any sum of money or other thing of value for the compromise, adjustment, or settlement of any charge or complaint for any violation or alleged violation of law.

SEC. 162. Reward of informer.—In case of informer's under the preceding section one-half of any fine imposed shall be for the use of the Insular Government and the other half for the use of the informer, who shall be ascertained and named in the judgment of the court.

SEC. 163. Unlawful divulgence of trade secrets.—Any officer or employee of the Bureau of Internal Revenue who divulges to any person or makes known in any other manner than may be provided by law, the secrets, operation,

style of work, or apparatus of any manufacturer or producer, or confidential information regarding the business of any taxpayer, knowledge of which was acquired by him in the discharge of his official duties shall be fined in a sum not more than two thousand pesos or be imprisoned for a term of not less than six months nor more than five years, or both.

SEC. 164. Unlawful interest of revenue officer in business. —Any internal-revenue officer who is or shall become interested, directly or indirectly, in the manufacture, sale, export, or import of manufactured tobacco, snuff, or cigars, or in the distilling, sale, import, export, rectification, or redistillation of distilled spirits, or in the manufacture, export, import, or sale of fermented liquors shall be fined in a sum not less than four hundred pesos nor more than ten thousand pesos, in the discretion of the court.

#### ARTICLE II.—Offenses Committed by Other Persons.

SEC. 165. Delinquency in payment of cedula tax.—A person liable to the cedula tax who remains delinquent in the payment of the same for fifteen days and on demand of the provincial treasurer fails to pay such tax by purchasing a cedula certificate at the increased price due to delinquency shall be deemed to be guilty of a misdemeanor; and the provincial treasurer may, in his discretion, cause the delinquent to be prosecuted before the justice of the peace of the municipality in which the delinquent shall be found, and upon conviction the person so delinquent shall be sentenced to imprisonment for ten days.

Persons so convicted shall be required to labor for the period of imprisonment, either for the province or municipality, upon public works in such manner as may be directed by the provincial board; and upon the termination of such period of imprisonment or labor, a cedula certificate shall be issued to the person so convicted as if the tax had been paid in money.

In any prosecution for the nonpayment of the cedula tax, proof showing that such tax was not paid in the municipality, township, or city where the defendant resides shall be sufficient to convict in the absence of proof on his part showing that the tax was paid in some other place or province.

SEC. 166. Unlawful use of cedula certificate.—Any person who uses, attempts to use, or has in his possession with intent to defraud the revenues, deceive the courts, or mislead any revenue officer or other person, any cedula certificate issued to any other person, shall be fined in a sum not exceeding two hundred pesos, or be imprisoned in the discretion of the court for a term not exceeding six months.

SEC. 167. Falsification or counterfeiting of stamp or cedula certificate.—Any person who makes, sells, or uses any false or counterfeit stamp or cedula, or any die for printing or making stamps or cedulas, which is in imitation of or purports to be a lawful stamp, cedula, or die of the kind required by the provisions of this Act, 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, die, or cedula for the purpose of using the same in the payment of internal revenue or in securing any exemption or privilege conferred by this Act, or who procures the commission of any such offense by another, shall for each offense be fined in a sum not less than two hundred pesos nor more than five thousand pesos, and imprisoned for a term not less than two months nor more than five years, in the discretion of the court.

SEC. 168. Failure to affix and cancel documentary stamp to affix stamp.—Any person who fails to affix and cancel the requisite stamp or stamps to any document at the time required shall be subject to a fine of not more than two hundred pesos.

SEC. 169. Unlawful pursuit of business or occupation.—Any person who carries on the business of a distiller, rectifier, wholesale liquor dealer, retail liquor dealer, manufacturer of tobacco, snuff, cigars, or cigarettes, or

dealer in any manufactured product of tobacco, without having paid the privilege tax therefor as required by law, shall, in addition to being liable for the payment of such tax, be punished by a fine in a sum not less than two hundred pesos nor more than two thousand pesos or by imprisonment for a term not exceeding six months, or both, in the discretion of the court.

And any person who carries on any other business, or to pay pursues any calling for which a fixed privilege tax is imposed without paying such tax as required by law shall in addition to being liable to the payment of such tax, be punished by a fine in a sum not exceeding one thousand pesos or by imprisonment for a term not exceeding six months, or both, in the discretion of the court.

SEC. 170. Obstruction of internal-revenue officer in inspect of taxable articles.—Any owner, agent, superintendent, or other person in charge of a house, building, or place where articles subject to an internal-revenue tax are produced or kept, who refuses to admit any internal-revenue officer having authority to examine such articles, or who shall forcibly obstruct or attempt to obstruct any such officer or shall prevent him from making such examination, shall be punished by a fine not exceeding two thousand pesos or by imprisonment not exceeding two years, or both, in the discretion of the court.

SEC. 171. Unlawful use of denatured alcohol—Any person uses denatured alcohol or alcohol withdrawn from bond for industrial uses, or who knowingly sells any beverage made in whole or in part from such alcohol, or who uses such alcohol for the manufacture of liquid medicinal preparations, or knowingly sells such preparations containing as an ingredient non-tax-paid alcohol, shall on conviction be fined not more than one thousand pesos or be imprisoned for not more than one year, or both.

Any person who shall unlawfully recover or attempt to recover by redistillation or other process any denatured alcohol or who knowingly uses, sells, conceals, or otherwise disposes of alcohol so recovered or redistilled shall be subject to the same penalty as above provided.

SEC. 172. Forfeiture of good stored or restored or removed. —All articles subject to a specific tax which are stored or allowed to remain in a distillery, distillery warehouse, bonded warehouse, or other place where made, after the tax thereon has been paid shall be forfeited; and all such articles unlawfully removed from any such place without the payment of the required tax shall likewise be forfeited.

SEC. 173. Forfeiture of property used in unlicensed business.—All chattels, machinery, and removable fixtures of any sort used in the production of distilled spirits, cigars, cigarettes, or other manufactured products of tobacco, when the required tax has not been paid for such business, shall be forfeited.

SEC. 174. Unlawful removal of articles without payment of articles.—Any manufacturer, owner, or person in charge of any article subject to a specific tax who removes or allows or procures the unlawful removal of any such article from the place of manufacture or bonded warehouse upon which article the specific tax has not been paid in the time and manner required, and every person who knowingly aids or abets in the removal of such articles as aforesaid, or conceals the same after illegal removal, shall for the first offense be punished by a fine of not more than one thousand pesos or imprisonment not longer than six months, or both. Every manufacturer so offending, shall, before continuing or resuming business, execute a bond in double the amount of his original bond and containing the same conditions.

SEC. 175. Same; punishment for subsequent offense.— In case of reincidence the offender under the preceding section shall be punished by imprisonment for not less than one month nor more than two years; and if the offense be committed by the owner or the manufacturer, or by his connivance, the factory and the ground upon which it stands, including the machinery and apparatus used in and about the business, shall be forfeited to the

Government.

SEC. 176. Unlicensed signs, signboards or billboards.—Any person who shall erect; construct, maintain, display, or expose a sign, signboard, or billboard without first procuring a license therefor as prescribed in this Act shall be fined not exceeding one hundred pesos or be imprisoned not exceeding one month, or both, in the discretion of the court.

SEC. 177. Shipment of liquor or tobacco under false name or brand.—Any person who ships, transports, or removes spirituous or fermented liquors, wines, or tobacco, under any other than the proper name or brand known to the trade as designating the kind and quality of the contents of the cask or package containing the same, or causes such act to be done, shall be subject to a fine of five hundred pesos, and in addition the article or articles so transported or removed shall be forfeited.

SEC. 178. Procuring unlawful divulgence of trade secrets.—Any person who causes or procures an officer or employee of the Bureau of Internal Revenue to divulge any confidential information regarding the business of any taxpayer knowledge of which was acquired by him in the discharge of his official duties and which it is unlawful for him to reveal, shall be fined in a sum of not more than two thousand pesos or be imprisoned for a term of not less than six months nor more than five years, or both.

SEC. 179. Fraudulent practices relative to weights and measures.—Any person other than an official sealer of measures, weights and measures who places an official tag or seal upon any instrument of weight or measure, or attaches it thereto, and any person who fraudulently imitates any mark, stamp, brand, tag, or other characteristic sign used to indicate that weights and measures have been officially sealed; or who alters in any way the certificate given by the sealer as an acknowledgment that the weights and measures mentioned therein have been duly sealed, or who makes or knowingly sells or uses any false or counterfeit stamp, tag, certificate, or license, or any die for printing or making stamps, tags, certificates, or licenses, which is an imitation of or purports to be a lawful stamp, tag, certificate, or license of the kind required by the provisions of this Act, or who alters the written or printed figures or letters on any stamp, tag, certificate, or license used or issued or who has in his possession any such false, counterfeit, restored or altered stamp, tag, certificate, or license for the purpose of use or reuse of the same in the payment of fees or charges imposed in this Act, or who procures the commission of any such offense by another, shall for each such offense be fined not less than two hundred pesos nor more than ten thousand pesos and shall be imprisoned for not less than one month nor more than five years, in the discretion of the court.

SEC. 180. Unlawful possession or use of instrument not unlawfully sealed within twelve months.—Any person making a practice of buying or selling goods by weight or measure, or of furnishing services the value of which is estimated by weight or measure, who has in his possession without permit any scale, balance, weight, or measure which has not been officially sealed within twelve months, and any person who uses in any purchase or sale or in estimating the value of any service furnished any such instrument that has not been officially sealed within the same period shall be punished by a fine not exceeding five hundred pesos or by imprisonment for not exceeding one year, or by both, in the discretion of the court: Provided, That if such scale, balance, weight, or measure so used has been officially sealed at some previous time and the seal and tag officially affixed thereto remain intact and in the same position and condition in which they were placed by the official sealer, and the instrument is found not to have been altered or rendered inaccurate but still to be sufficiently accurate to warrant its being sealed without repairs or alteration such instrument shall, if presented for sealing promptly on demand of any authorized sealer or inspector of weights and measures, be sealed, and the owner, possessor, or user of same shall be subject to no penalty except a surcharge equal to five times the regular fee fixed by law for the sealing of an instrument of its class, this surcharge to be collected and accounted for by the same official and in the same

manner as the regular fees for sealing such instruments.

SEC. 181. Alteration or fraudulent use of instrument of weight or measure.—Any person who with fraudulent intent alters any scale or balance, weight, or measure after it is officially sealed, or who knowingly uses any false scale or balance, weight or measure, whether sealed or not, shall be punished by a fine of not less than two hundred pesos nor more than four thousand pesos or by imprisonment for not less than three months nor more than two years, or by both such fine and imprisonment, in the discretion of the court.

Any person who fraudulently gives short weight or measure making of a sale; or who fraudulently takes excessive weight or measure in the making of a purchase, or who, assuming to determine truly the weight or measure of any article bought or sold by weight or measure, fraudulently misrepresents the weight or measure thereof, shall be punished by a fine of not less than fifty pesos nor more than two thousand pesos or by imprisonment for not less than three months nor more than two years, or by both such fine and imprisonment, in the discretion of the court; and any violation of this paragraph by an employee having authority to determine weight or measure in sales or purchases effected in behalf of his employer shall be prima facie evidence of the guilt of such employer also.

SEC. 182. Payment of informers.—Any person, except an internal-revenue agent or officer or other public official engaged in sealing or inspecting weights and measures who voluntarily gives information leading to the arrest and conviction of anyone violating the provisions in this Act relative to weights and measures shall be rewarded in the sum of twenty pesos or in the sum of one hundred pesos if the person convicted is a public officer or employee concerned with the sealing or inspecting of weights and measures. The informer shall be ascertained and stated in the judgment of the court and the reward paid shall be a charge against the funds of the province in which the arrest and conviction is had and the municipality concerned, in the proportion in which the weights and measures fees accrue to each, but to prevent delay in payment the province' shall initially pay the entire amount and subsequently secure reimbursement of the municipality's share.

SEC. 183. Illegal sale of skimmed milk; penalty.—Any person who sells or puts on sale in the Philippine Islands any condensed skimmed milk or milk from which the fat has been removed totally or in part, on which the tax imposed in section seventy-two of this Act has not been fully paid, or which does not bear the legend provided for in section one hundred and twenty-four hereof, shall, upon conviction thereof, be punished by a fine of not exceeding six hundred pesos, or by imprisonment not exceeding six months, or both.

SEC. 184. Failure to keep pharmacist's record.—A physician, dentist, veterinarian, pharmacist, or second-class pharmacist who fails to keep a true and correct record of prohibited drugs received and dispensed or transferred by him, as required by law and prescribed in the Regulations of the Bureau of Internal Revenue, or who fails to allow the immediate inspection of his entire stock of such drugs upon the demand of any internal-revenue officer or agent shall be punished by a fine of not less than fifty nor more than one thousand pesos.

SEC. 185. Violation of Internal Revenue Law or regulation in general; penalty.—A person who violates any provision of this Act or any lawful regulation of the Bureau of Internal Revenue made in conformity with the same, for which delinquency no specific penalty is provided by law, shall be punished by a fine of not more than three hundred pesos or by imprisonment for not more than six months, or both, in the discretion of the court.

## CHAPTER SIX.

### FINAL PROVISIONS

SEC. 186. Legal remedies as affected by present law.—Nothing herein contained shall affect existing civil remedies in actions or proceedings already begun; but the civil remedies herein provided shall be available for the

collection of any industrial or internal-revenue tax owing to the Government at the time this Act takes effect, where no action or proceeding under prior laws shall be then pending.

Prosecutions for criminal offenses heretofore committed shall be under the law existing at the time of the commission of such offenses.

SEC. 187. Acts repealed.—Act Numbered Eleven hundred and eighty-nine and all Acts amendatory thereto (except sections one hundred and forty-eight, one hundred and forty-nine, and one hundred and fifty of said Act and their amendments), Act Numbered Fifteen hundred and nineteen and all Acts amendatory thereto (except section nineteen of said Act) and sections six to thirteen, inclusive, of Act Numbered One thousand and forty-five, and all other laws and parts of laws in conflict herewith are hereby repealed. No law or part of law heretofore repealed by any provision thus abrogated shall be deemed to be impliedly revived by the repeal herein effected.

SEC. 188. Date of taking effect of this Act—This Act Date effective—shall be in effect on and after the first day of July, nineteen hundred and fourteen.

Enacted, February 27, 1914.

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