

AMENDING THE NATIONAL INTERNAL REVENUE CODE OF 1977, AS AMENDED, BY ADDING NEW SECTIONS TO TITLE VII AND TITLE VIII THEREOF.

PRESIDENTIAL DECREE NO. 1724, September 18, 1980

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AMENDING THE NATIONAL INTERNAL REVENUE CODE OF 1977, AS AMENDED, BY ADDING NEW SECTIONS TO TITLE VII AND TITLE VIII THEREOF.

WHEREAS, mineral and forest products have been greatly affected by changes in international market conditions, and

WHEREAS, in order to provide a mechanism which is responsive to such changes in international market conditions, and which could also be a tool for economic and industrial policies, it is necessary that the National Internal Revenue Code of 1977, as amended, be further amended accordingly.

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

SECTION 1. A new Section 259-A is hereby added to Title VII of the National Internal Revenue Code of 1977, as amended, which shall read as follows:

"SEC. 259 (a). Flexibility Clause. — In the interest of the national economy and general welfare, the President, upon recommendation of the Minister of both the Ministries of Finance and Natural Resources, is hereby empowered to revise the rates of tax on and classification of mineral products, as well as to prescribe the rates of tax in cases of marginal mines requiring protection, assistance or incentives.

"The foregoing authority may be exercised by the President if any of the following conditions exist:

"(a) Where, in the interest of economic development, it is necessary to redirect expenditures or consumption patterns;

"(b) Whenever by reason of fluctuation of currency values and/or inflation or deflation, the existing taxable base and rate levels are no longer realistic or consistent with the current price levels;

"(c) When it is necessary to counter adverse action on the part of another country or adverse international market conditions; or

"(d) When there is need to obviate unemployment and economic and social dislocation.

"Before any recommendation is submitted to the President of the Minister of finance and the Minister of Natural Resources pursuant to the provisions of this section, a public hearing shall, whenever practicable, be held and interested parties afforded a reasonable opportunity to be heard."

SEC. 2. A new Section 281-A is hereby added to Title VIII of the same Code which shall read as follows:

"SEC. 281 (a) Flexibility Clause. — In the interest of the national economy and general welfare, the President, upon recommendation of the Minister of both the Ministries of finance and Natural Resources is hereby

empowered to revise the rates of tax on and classification of forest products.

"The foregoing authorities may be exercised by the President if any of the following conditions exist:

"(a) Where, in the interest of economic development, it is necessary to redirect expenditures or consumption patterns;

"(b) Whenever by reason of fluctuation of currency values and/or inflation or deflation, the existing taxable base and rate levels are no longer realistic or consistent with the current price levels;

"(c) When it is necessary to counter adverse action on the part of another country or adverse international market conditions; or

"(d) When there is need to obviate unemployment and economic and social dislocation.

"Before any recommendation is submitted to the President by the Minister of Finance and the Minister of Natural Resources pursuant to the provision of this section, a public hearing shall, whenever practicable, be held and interested parties afforded a reasonable opportunity to be heard."

SEC. 3. This Decree shall take effect immediately.

Done in the City of Manila, this 18th day of September, in the year of Our Lord, nineteen hundred and eighty.

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

By the President:

(Sgd.) JUAN C. TUVERA
Senior Presidential Assistant

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