

AN ACT AMENDING PARAGRAPH (g) OF SECTION THIRTY OF COMMONWEALTH ACT NUMBERED FOUR HUNDRED AND SIXTY-SIX, AS AMENDED, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE.

REPUBLIC ACT NO. 2698, June 18, 1960

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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Paragraph (g) of Section thirty of Commonwealth Act Numbered Four hundred and sixty-six, as amended, is hereby amended to read as follows:

"(g) Depletion of oil and gas wells and mines:

"(1) In general.—Based on the following percentages, there shall be a depletion allowance based on the gross but in no case to exceed fifty per centum of the net income or of the net profit, whichever is lower: Provided, however, That the percentage depletion allowance based on gross income shall be the percentage of the gross income after an amount equal to any rents or royalties paid or incurred by the taxpayer in respect to the property has been deducted therefrom:

- Twenty-seven and one-half per cent for oil and gas wells;
- Twenty-three per cent for mines of
 - Chromite, copper, gold, iron, manganese, mercury, nickel, and silver; and
 - Anorthosite (to the extent that alumina and aluminum compounds are extracted therefrom), anti-mony, asbestos, bauxite, beryl, bismuth, brucite, cadmium, celestite, coal, cobalt, columbium, corundum, fluorspar, germanium, graphite, ilmenite, kyanite, lead, lignite, lithium, marble, mercury, mica, molybdenum, olivine, platinum and platinum group metals, quartz crystals (radio grade), rutile, talc, tantalum, thorium, tin, titanium, tungsten, uranium, vanadium, zinc, and zircon; and
- Fifteen per cent for mines of
 - Ball, brick, china, sagger, and tile clay, bentonite, mollusk shells (including clam sheila and oyster shells), peat, perlite, pumice, scoria, shale, sodium chloride, and wollastonite.
- If from brine wells—bromine, calcium chloride and magnesium chloride.
- All other minerals including, but not limited to, aplite, barite, borax, calcium carbonates, refractory and fire clay, diatomaceous earth, dolomite, feldspar, fullers earth, garnet, gilsonite, granite, lopidolite, limestone, magnesite, magnesium carbonates, phosphate rock, potash pyrophyllite, quartzite, slate, soapstone, spodumene stone (used or sold for use by the mine owner or operator as dimension stone or orna-mental stone), thenardite, tripoli, trona, and for purposes of this paragraph, the term "all other minerals" does not include—
- Gravel, sand and stone in loose formation used in construction purposes, soil, sod, dirt, turf, ,water, or

mosses; and

- Minerals from sea water, the air, or similar inexhaustible sources.

"(2) Depletion of oil and gas wells and mines deductible by nonresident aliens or foreign corporations.—In the case of a nonresident alien individual or foreign corporation, allowance for depletion of oil and gas wells or mines under paragraph (1) shall be authorized only in respect to oil and gas wells or mines located within the Philippines."

SEC. 2. This Act shall take effect upon its approval.

Approved, June 18, 1960.

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