

PROVIDING FOR THE CLASSIFICATION AND VALUATION OF TIMBER AND FOREST LANDS FOR PURPOSES OF REAL PROPERTY TAXATION.

PRESIDENTIAL DECREE NO. 853, December 19, 1975

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WHEREAS, under Presidential Decree No. 464 otherwise known as the Real Property Tax Code, timber and forest lands were embraced in the definition of the term "agricultural land" for purposes of real property taxation;

WHEREAS, it will be more systematic and conducive to just and uniform property valuation if timber and forest lands are appraised and assessed as a separate class of real property;

WHEREAS, the Philippine wood industry is presently affected by a worldwide recession and lack of markets abroad;

WHEREAS, it has become imperative to adopt remedial measures that will ease the realty tax burden of the wood industry by employing new and definitive methods of appraisal and assessment of timber and forest lands; and granting a descending rate of discount on the real property tax due thereon;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution do hereby decree and order the following provisions to form part of the law of the land;

SECTION 1. Classification.—All timber and forest lands shall be segregated from the class agricultural land and be classified as timber and forest lands for purposes of real property taxation.

SEC. 2. Declaration and listing in the assessment rolls.— All timber and forest lands owned by the Republic of the Philippines or any of its political subdivision, the beneficial use of which has been granted to a taxable person, shall be declared for taxation purposes and listed in the assessment rolls in the name of the concessionaire or licensee.

All timber and forest lands that are privately owned shall be declared and listed in the name of the private owner.

SEC. 3. Assessment level.—the assessment level for all timber and forest lands shall be 40% of their market value as determined by the Provincial/City Assessor in accordance with such methods, procedures or regulations that the Secretary of Finance may prescribe for the purpose.

SEC. 4. Taxable Area.—(a) For a given tax year, the taxable area of timber and forest lands belonging to the Republic of the Philippines the beneficial use of which has been granted to a taxable person shall be the operational area within the concession as determined and authorized for the tax year by the Bureau of Forest Development in accordance with the provisions of Presidential Decree No. 705, otherwise known as the Revised Forestry Code of the Philippines, and/or its implementing rules and regulations.

For purposes of this Decree, the term operational area shall refer to the portion of portions of the entire concession from where the concessionaire is granted the authority to cut and remove timber for a given year. (b) In the case of privately-owned timber or forest lands, the entire area belonging to the private owner shall be the taxable area.

SEC. 5. Appraisal and Assessment of Timber and Forest Lands.—1. In cases where timber or forest land is located

In one municipality or in one city, it shall be the responsibility of the Provincial/City Assessor, by himself or thru his Municipal Deputy Assessor, to appraise and assess the same in accordance with the methods, procedures, or regulations that the Secretary of Finance may prescribe therefor.

- In cases, however, where the timber and forest lands are found in two or more municipalities, the Provincial Assessor likewise shall appraise and assess the same and he shall issue separate tax declarations covering the areas corresponding to each municipality.

- In cases where timber and forest lands cover two or more provinces and/or cities, the Provincial/City Assessors concerned shall jointly appraise and assess the property in accordance with regulations to be issued by the Secretary of Finance.

SEC. 6. Tax Incidence and Rate of Levy on Timber and Forest Lands.—There shall be levied, assessed and collected in all provinces, cities and municipalities a uniform annual ad valorem tax of one (1%) per cent of the assessed value of timber and forest lands, as determined by the Provincial/City Assessor.

The additional one per cent tax accruing to the Special Education Fund created under Republic Act No. 5447 shall likewise be imposed and collected on timber and forest lands.

SEC. 7. Officer responsible for the collection of the real property tax.—The basic and additional real property tax on timber and forest lands shall be collected by the Provincial/City Treasurers where the timber and forest lands are located.

SEC. 8. Date of accrual of tax.—The real property tax for timber and forest land shall begin to accrue on January 1, 1975; Provided however, that no penalty shall be imposed on the taxpayer for periods prior to the effectivity of this Decree.

SEC. 9. Tax Discount.—If the basic real property tax and the additional one (1%) per cent tax accruing to Special Educational Fund are paid in full within the prescribed period of payment as provided for under Section 60 of Presidential Decree No. 464, the taxpayer shall be granted a discount as follows:

- 60% on the tax due and payable during the year 1975,
- 40% on the tax due and payable during the year 1976, and
- 20% on the tax due and payable during the year 1977.

Done in the City of Manila, this 19th day of December, in the year of Our Lord, nineteen hundred and seventy-five.

(Sgd.)

FERDINAND E. MARCOS

President

Republic of the Philippines

By the President:

(Sgd.)

JUAN C. TUVERA

Presidential Assistant

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