

AN ACT TO AMEND THE INTERNAL REVENUE LAW, CHAPTER FORTY OF THE ADMINISTRATIVE CODE, IN THE PART REFERRING TO THE TAXES ON PLAYING CARDS, CIGARS, CIGARETTES, AND INHERITANCES; TO...

Act No. 2835, March 08, 1919

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Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. Section fourteen hundred and twenty-four of Act Numbered Twenty-seven hundred and eleven is hereby amended by adding, at the end thereof, the following subsection (I) :

"(I) The conditions to be observed by revenue officers, provincial fiscals, and other officials respecting the enforcement of Article XI imposing a tax on inheritances, legacies, and other acquisitions mortis causa and such other rules and prohibition which the Collector of Internal Revenue may consider suitable for the enforcement of the said Article XI."

SEC. 2. Section fourteen hundred and fifty-two of Act Numbered Twenty-seven hundred and eleven is hereby amended by adding, at the end thereof, the following paragraph:

"No notary public or other officer authorized to administer oaths shall add his jurat or acknowledgment to any document subject to documentary stamp tax unless the proper documentary stamps are affixed thereto and canceled."

SEC. 3. Section fourteen hundred and sixty-four of Act Numbered Twenty-seven hundred and eleven is hereby amended by replacing subsections (w), (y), and (z) thereof by two new subsections, (w) and (y), so that said section shall read as follows:

"SEC. 1464. Amount of tax on business.—Fixed taxes on 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.

"(f) 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, twenty pesos.

"(k) Retail dealers in tuba, basi, and tapuy, ten pesos.

'(l) Tobacco dealers, eight pesos.

"(m) Retail leaf tobacco dealers, twenty 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) Business agents (agertes de negocios), forty pesos.

"(q) Proprietors of cockpits, two hundred pesos; and for each cock-fight (soltada), a tax of twenty-five centavos.

"(r) Proprietors of theaters, museums, cinematographs, 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 tract, three hundred pesos.

"(v) Pawnbrokers, four hundred pesos.

"(w) Stockbrokers, real estate brokers, and .commercial brokers, eighty pesos.

"(x) Money lenders, two hundred pesos.

" (y) Repackers of wines or distilled spirits, two hundred pesos."

SEC. 4. Section fourteen hundred and sixty-five of Act Numbered Twenty-seven hundred and eleven is hereby amended so far as subsections (f), (g), (h), (i), (j), and (x) are concerned, and a new subsection (z) is added thereto, so that said section shall read as follows:

"SEC. 1465. Words and phrases defined.—In applying the de provisions of the preceding section words and phrases shall be taken in the sense and extension indicated below;

"(a) '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.

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

"(c) '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.

"(d) '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.

"(e) 'Manufacturer of cigars' includes those whose business it is to make or manufacture cigars or cigarettes for sale or who employ others to make or manufacture cigars or cigarettes for sale; but the term does not include artisans or apprentices employed to make cigars or cigarettes from material supplied by the employer, the latter being lawfully engaged in the manufacture of cigars and cigarettes.

" (f) '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 five liters at any one time, or who sells or offers the same for sale for the purpose of resale irrespective of quantity.

"(g) '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 five liters or less at any one time and not for resale.

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

"(i) 'Wholesale dealer in fermented liquors' means anyone who for himself or on commission sells or offers for sale fermented liquors in larger quantities than five liters at any one time or who sells or offers for sale such fermented . liquors (excluding tuba, bust, tapuij, and similar domestic fermented liquors) for the purpose of resale, regardless of quantity.

" (j) 'Retail dealer in fermented liquors' includes every person, except retail dealers in tuba, basi, and tapuy, who for himself or on commission sells or offers for sale fermented liquors in quantities of five liters or less at any one time and not for resale.

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

"(l) 'Tobacco dealer' comprehends every person who for himself or on commission sells or offers for sale cigars, cigarettes, or manufactured tobacco.

"(m) 'Retail leaf tobacco dealer' includes every person who for himself or on commission sells leaf tobacco or offers the same for sale to any person except" a registered dealer in leaf tobacco or a manufacturer of cigars, cigarettes, or manufactured tobacco; but the term does not include a planter or producer so far as concerns the sale of leaf tobacco of his own production.

"(n) '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. A wholesale peddler of manufactured tobacco is one who sells for the purpose of resale.

"(o) '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.

"(p) '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.

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

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

"(s) '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.

"(t) '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 bank paying the special tax imposed on banks or their resources shall be required to pay the privilege tax imposed on stockbrokers, real-estate brokers, pawnbrokers, or money lenders.

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

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

"(w) '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.

"(x) 'Commercial broker,' includes all persons, other than commission merchants and salaried employees, whose business it is to bring about sales or purchases of merchandise for other persons, or to bring proposed buyers and sellers together or to negotiate i freights or other business for the owners of vessels, or for the shippers or consignors or consignees of freight carried by vessels, for a compensation.

"(y) 'Business agent' ('agente de negocios') includes all persons who act as agents of others in the transaction of business with any public officer, as well as those who conduct collecting, advertising, employment, or private detective agencies.

" (z) 'Repacker of wines or distilled spirits' includes all persons who remove wines or distilled spirits from the original container for repacking and selling the same at wholesale."

SEC. 5. Section fourteen hundred and sixty-six of Act Numbered Twenty-seven hundred and eleven is hereby amended to read as follows:

"SEC. 1466. Percentage tax on stock, real estate, and commercial brokers.—Stock, real estate, and commercial brokers shall pay a percentage tax equivalent to four per centum of the gross compensation received by them in excess of five hundred pesos per quarter.

"The Collector of Internal Revenue shall be authorized to prescribe, by regulation, the records to be kept by stock, real estate, and commercial brokers subject to the tax. These records shall be considered public and official documents for all purposes.

"The records kept by said brokers may be used as evidence to determine the amount of the percentage tax due by them and the Collector of Internal Revenue may assess and collect the tax due on the compensation earned in accordance with said records.

"In any case the amount of the compensation of said brokers shall be reported quarterly within the time established for the other quarterly reports of sales and receipts."

SEC. 6. Section fourteen hundred and ninety-two of Act Numbered Twenty-seven hundred and eleven is hereby amended to read as follows:

"SEC. 1492. 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 or importer's wholesale price, less the amount of the tax, is thirty pesos per thousand, or less, on each thousand, two pesos.

"2. When the manufacturer's or importer's wholesale price, less the amount of the tax, is more than thirty pesos but not more than sixty pesos per thousand, on each thousand, four pesos.

"3. When the manufacturer's or importer's wholesale price, less the amount of the tax, exceeds sixty pesos per thousand, on each thousand, six pesos. "(6) Cigarettes:

"1. When the manufacturer's or importer's wholesale price, less the amount of the tax, is four pesos or less per thousand, on each thousand, one peso and twenty centavos.

"2. When the manufacturer's or importer's wholesale price, less the amount of the tax, is more than four pesos but not more than six pesos per thousand, on each thousand, one peso and sixty centavos.

"3. When the manufacturer's or importer's wholesale price, less the tax, exceeds six pesos per thousand, on each thousand, two pesos.

"The maximum price at which the various classes of cigars and cigarettes are sold at wholesale in the factory or in the establishment of the importer to any member of the public shall determine the rate of the tax applicable to such cigars and cigarettes, and if the manufacturer or importer also sells, or allows to be sold, his cigars and cigarettes at wholesale in another establishment of which he is the owner or in the profits of which he has an interest, the maximum sale price in such establishment shall determine the rate of the tax applicable to the cigars and cigarettes therein sold.

"Every manufacturer or importer of cigars and cigarettes shall file with the Collector of Internal Revenue, on the date or dates designated by the latter, a sworn statement of the maximum wholesale prices of cigars and cigarettes, and it shall be unlawful to sell said cigars and cigarettes at wholesale at a price in excess of the one specified in the statement required by this Law without previous written notice to said Collector of Internal Revenue.

SEC. 7. Section fourteen hundred and ninety-eight of Act Numbered Twenty-seven hundred and eleven is hereby amended to read as follows:

"SEC. 1498. Tax on playing cards.— (1) On each pack of cards containing not more than fifty-eight cards, there shall be collected a tax of thirty centavos. (2) On each pack containing more than fifty-eight cards, there shall be collected the tax established in the last preceding paragraph and a proportionate additional tax on the number in excess of fifty-eight."

SEC. 8. Section fifteen hundred and seventeen of Act Numbered Twenty-seven hundred and eleven is hereby amended to read as follows:

"SEC. 1517. Charges for stone, earth, salt and guano taken from lands under the jurisdiction of the Bureau of Forestry.—"For stone, earth, salt or guano taken from the lands under the jurisdiction of the Bureau of Forestry such charges shall be made as may be fixed in particular cases by the Director of Forestry, with the approval of the Department Head."

SEC. 9. Section fifteen hundred and twenty of Act Numbered Twenty-seven hundred and eleven is hereby amended to read as follows:

"SEC. 1520. Time for payment of forest charges.—Except as herein below 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, 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, in special cases where the payment of the charges at the point of origin would work a great hardship and the proper charges are secured by proper bonds."

SEC. 10. Section fifteen hundred and thirty-six of Act Numbered Twenty-seven hundred and eleven is hereby amended to read as follows:

"SEC. 1536. Conditions and rate of taxation,—Every transmission of real property located in the Philippine Islands and real rights in such property; of any franchise which must be exercised in the Philippine Islands; of any shares, obligations, or bonds issued by any corporation or 'sociedad anonima' organized or constituted in the Philippine Islands in accordance with its laws; of any shares or rights in any partnership, business, or industry established in the Philippine Islands; or of any personal property located in the Philippine Islands, by virtue of inheritance, devise, bequest, gift mortis causa, or advance in anticipation of inheritance, devise, or bequest shall be subject to the following tax;

"(a) When the surviving spouse, a legitimate, recognized natural, or adopted child, or legitimate descendant of any of them, is the beneficiary, one per centum on the inventoried property if not exceeding fifty thousand pesos; one and one-half per centum, upon the inventoried property if it is in excess of fifty thousand pesos and not in excess of two hundred and fifty thousand pesos; two and one-half per centum, upon the inventoried property if it is in excess of two hundred and fifty thousand pesos, and not in excess of five hundred thousand pesos, and four per centum, upon all inventoried property in an amount in excess of five hundred thousand pesos.

"(b) When either of the legitimate parents of the deceased, or a legitimate brother or sister of the same, or the father or mother who had recognized him as a natural child, is the beneficiary, there shall be collected the same tax fixed in the paragraph next preceding, with an increase of one hundred per centum.

"(c) When other relatives not included in the two next preceding subsections are beneficiaries, there shall be collected the tax fixed in subsection (a) with an increase of two hundred per centum.

"(d) When strangers are beneficiaries, there shall be collected the tax fixed in subsection (a) with an increase of three hundred per centum, strangers being deemed, for the purposes of this tax, those who are beyond the sixth degree of relationship by consanguinity in the collateral line and the relatives by affinity, with the exception of the spouse.

"In case the property is transmitted to the heirs subject to the usufructuary interest, use or habitation or annuity of a third person, the tax shall be based on the inventoried property less the value of the usufruct, use or habitation or annuity determined as hereinafter provided."

SEC. 11. Section fifteen hundred and thirty-seven of Act Numbered Twenty seven hundred and eleven is hereby repealed and the following is enacted in lieu thereof:

"SEC. 1537. Payment of tax antecedent to the transfer of shares, bonds or right.—There shall not be transferred to any new owner in the books of any corporation, 'sociedad anonima', partnership, business, or industry organized or established in the Philippine Islands, any shares, obligations, bonds, or rights by way of gift mortis causa, legacy, or inheritance unless it is shown that the tax fixed in this article and due thereon has been paid."

SEC. 12. Section fifteen hundred and forty-two of Act Numbered Twenty-seven hundred and eleven is hereby

amended to read as follows:

"SEC. 1542. Determination of value of usufructs, annuities, and real property.—In order to determine the value of the right of usufruct, use, or habitation, as well as that of annuity, there shall be taken into account the probable life of the beneficiary in accordance with the American Tropical Experience Table, calculated at eight per centum annual interest. For the purpose of determining the value of real property, the assessed value as shown by the tax rolls shall be taken as the minimum."

SEC. 13. Section fifteen hundred and forty-four of Act Numbered Twenty-seven hundred and eleven is hereby amended by adding thereto the following paragraphs:

"If the tax is not paid within the period provided for in the next preceding paragraph, interest at the rate of twelve per centum per annum shall be added as part of the tax.

"A certified copy of all letters testamentary or of administration shall be furnished the Collector of Internal Revenue TM by the clerk of court within thirty days after their issuance."

SEC. 14. Section fifteen hundred and eighty-two of Act Numbered Twenty-seven hundred and eleven is hereby amended to read as follows:

"SEC. 1582. 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 chapter or other law or part of law administered by the Bureau of Internal Revenue, 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. 15. Section twenty-seven hundred and seventeen of Act Numbered Twenty-seven hundred and eleven is hereby amended to read as follows:

"SEC. 2717. Unlawful interest of revenue officers 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, cigars, or cigarettes, or in the distilling, repacking, sale, import, export, rectification, or redistillation of distilled spirits, or in the manufacture, repacking, export, import or sale of fermented liquors, or in the manufacture or sale of any scale or balance, weight or measure, shall be fined in a sum not less than four hundred pesos nor more than ten thousand pesos."

SEC. 16. Section twenty-seven hundred and twenty-one of Act Numbered Twenty-seven hundred and eleven is hereby amended to read as follows:

"SEC. 2721. Failure to affix and cancel documentary stamps and destroy internal-revenue stamps and labels.—' Any person who fails to affix and cancel the requisite stamp or stamps to any document at the time required by law shall be subject to a fine of not more than three hundred pesos. Any person who gives away or accepts from another, or who sells, buys, or uses any container on which the stamps or lables are not utterly destroyed shall for each such offense be fined in a sum of not less than twenty pesos nor more than three hundred pesos or by imprisonment for a term not exceeding seven months, or both, at the discretion of the court. Any internal-revenue officer may destroy any emptied container upon which an internal-revenue stamp or official taxpaid label is found still un-destroyed."

SEC. 17. Section twenty-seven hundred and twenty-two of Act Numbered Twenty-seven hundred and eleven is

hereby amended to read as follows:

"SEC. 2722. Unlawful 'pursuit of business or occupation.— Any person who distills, rectifies, repacks or sells at wholesale or retail any liquor or wines, manufactured tobacco, snuff, cigars, or cigarettes, or who deals in any manufactured product of tobacco, without having paid the privilege tax therefor as required by law, or who knowingly aids or abets in the conduct of illicit distilling operations, or illicit manufacture of tobacco products, 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; and in the case of a distiller, repacker, or rectifier of spirits or manufacturer of any products of tobacco so offending, all distilled spirits and all stills or other apparatus fit or intended for the distillation, repacking, or rectification of spirits, or for the compounding of liquors, or for the manufacture of any products of tobacco, owned by such person, wherever found, and all distilled spirits or wines or manufactured tobacco and personal property found at the distillery, repacking, or rectifying establishment or at the tobacco factory or in any building, room, yard, or inclosure connected therewith and used with or constituting a part of the premises on which the distilling, repacking, or rectifying of distilled spirits or manufacturing of tobacco is carried on, and all the right, title, and interest of such person in the lot or tract of land on which such distillery, repacking, or rectifying establishment or tobacco factory is situated, and all the right, title, and interest therein of every person who knowingly or with negligence has suffered or permitted the business of a distiller, repacker, or rectifier of spirits or manufacturer of tobacco to be there carried on or has connived at the same, shall be forfeited to the Government.

"Any person who carries on any other business, or pursues any calling for which a fixed privilege tax is imposed without paying such tax as required by law or who knowingly aids or abets in the conduct of such business, 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."

SEC. 18. Section twenty-seven hundred and thirty-nine of Act Numbered Twenty-seven hundred and eleven is hereby amended to read as follows:

"SEC. 2739. Unlawful deliver of properties or transfer of shares, obligations, bonds or rights subject to inheritance tax.—The executor or judicial administrator who shall deliver to an heir, legatee, or donee, any real or personal property, credit, right, or franchise, and the officer, manager, or employee of any corporation, 'sociedad anonima', partnership, business, or industry who transfers in its books to any new owner any share, obligation, bond, or right, pertaining to an inheritance subject to the tax imposed in Article XI of the Internal Revenue Law without its payment being shown shall be punished by a fine of not more than five thousand pesos, or imprisonment for not more than six months, or by both penalties."

SEC. 19. This Act shall take effect on its approval.

Approved, March 8, 1919.

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