

## AMENDING PARAGRAPHS (e), (f) AND (g) OF SECTION 38 OF PRESIDENTIAL DECREE No. 231, OTHERWISE KNOWN AS THE LOCAL TAX CODE

*PRESIDENTIAL DECREE NO. 1118, April 15, 1977*

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WHEREAS, for purposes of the resident tax, two residence certificates are issued—one for the basic residence tax and another for the additional residence tax;

WHEREAS, the consolidation of these two taxes in one residence certificate will save printing costs for the government and promote convenience to the taxpayer who will thus keep only one document to evidence payment of the two taxes.

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

SECTION 1. Paragraphs (e), (f) and (g) of Section 38 of the Local Tax Code is hereby amended to read as follows:

"Sec. 38. The imposition, rates and sharing of the proceeds of the residence tax. —\* \* \*

(a) \* \* \* \* \*

(b) \* \* \* \* . \* \*

(c) \* \* \* \* \* \_

(d) \* \* \* \* \* .

(e) Time for payment —Penalties for delinquency.—Liability for the residence taxes accrue on the first day of January of each year as regard persons then residents of the Philippines and liable to the taxes. The residence taxes imposed under this Section shall be paid not later than the last day of February. These who come to reside in the Philippines on or before the last day of June, and those who reach the age of 18 years or otherwise lose the benefit of the exemption on or before that day, shall pay the residence taxes within sixty days from the time they arrive in the Philippines or reach the age of 18 years or from the time they loss the benefit of exemption. Persons who come to reside in the Philippines or arrive at the age of 18 years on or after the first day of July of any year or who cease to belong to an exempt class on or after the same day, shall not be subject to the taxes for that year.

Corporations which may be established or organized on or be-fore the 30th of June shall pay the residence tax within 20 days from the date of incorporation. Those which may be established or organized on or after the first day of July of any year shall not be subject to the tax for such year.

If the taxes are not paid within the time prescribed above, there shall be added to the unpaid amount an interest of fourteen per cent from the due date until it is paid.

(f) Residence Certificates. —A residence certificate shall be issued to every person or corporation upon payment

of the basic and additional residence tax to which it is liable. A residence certificate shall also be issued to any person, not subject to the residence tax, upon payment of one peso.

(g) Presentation of residence certificate upon certain occasions. —When a person liable to the taxes prescribed in this Section acknowledges any documents 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 or fee; receives any money from any public fund; transacts other official business; or receives any salary or wage from any person or corporation, it shall be the duty of such person or officer of such corporation with whom such transaction is had or business done or from whom any salary or wage is received to require the exhibition of the residence certificate showing the payment of the residence taxes by such person.

The presentation of the residence certificate shall not be required in connection with the registration of a voter.

When, through its authorized officers, any corporation liable to the taxes prescribed in this Section receives any license, certificate or permit from any public authority, pays any tax or fee, receives any money from any public fund, or transacts other official business, it shall be the duty of the public officials with whom such transaction is had or business done to require the exhibition of the residence certificate showing the payment of the residence taxes by such corporation.

The certificate mentioned in the two preceding paragraphs shall be the one issued for the current year, except from January until the last day of February of each year and except also in the cases of the payment of the residence tax at any time during the year in which cases the exhibition of the certificate for the previous year shall suffice.

SEC. 2. The Secretary of Finance shall promulgate the necessary rules and regulations for the effective implementation of this decree.

SEC. 3. This decree shall take effect upon its approval.

Done in the City of Manila, this 15th day of April in the year of Our Lord, nineteen hundred and seventy-seven.

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

By the President:

(Sgd.) JUAN C. TUVERA  
Presidential Executive Assistant

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