

AN ACT TO AMEND CERTAIN SECTIONS OF COMMONWEALTH ACT NUMBERED FOUR HUNDRED SIXTY-FIVE, OTHERWISE KNOWN AS THE RESIDENCE TAX LAW, AS AMENDED.

REPUBLIC ACT NO. 1503, June 16, 1956

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

SECTION 1. Sections one, two and four of Commonwealth Act Numbered Four hundred sixty-five, as amended, are hereby further amended to read as follows:

"SECTION 1. Persons liable to residence tax.—Every inhabitant of the Philippines over eighteen years of age who has been regularly employed on a wage or salary basis or at least thirty consecutive days during any calendar year at the rate of not less than fifty centavos a day, or who is engaged in business or occupation, or who owns real property with an aggregate assessed value of one thousand pesos or more, or who is required by law to file an income tax return shall pay an annual residence tax of fifty centavos and an annual additional tax which in no case shall exceed one thousand pesos, in accordance with the following schedule:

"(a) For every five thousand pesos worth of real property in the Philippines, in excess of ten thousand pesos owned by such person during the preceding year, the valuation to be based upon the assessment rolls of the municipality where the property is situated, two pesos;

"(b) For every five thousand pesos of gross receipts or earnings, in excess of ten thousand pesos, derived by such person from his business in the Philippines during the preceding year, two pesos; and

"(c) For every one thousand pesos of salaries or gross receipts or earnings derived by such person from the exercise of any profession in the Philippines or from the pursuit of any occupation therein during the preceding year, one peso.

"For the purposes of the additional tax, dividends received by the taxpayer from any corporation shall not be considered as part of his gross receipts or earnings.

"In the case of husband and wife, the additional tax herein imposed shall be based upon the total property owned by them or upon the total gross receipts or earnings derived by them.

"SEC. 2. Entities liable to residence tax.—Every corporation, no matter how created or organized, whether domestic or resident foreign, engaged in or doing business in the Philippines shall pay an annual residence tax of five pesos and an annual additional tax which, in no case, shall exceed two thousand pesos, in accordance with the following schedule:

"(a) For every five thousand pesos worth of real property in the Philippines owned by it during the preceding year, the valuation to be based upon the assessment rolls of the municipality where the real property is situated, two pesos; and

"(b) For every five thousand pesos of gross receipts or earnings derived by it from its business in the Philippines during the preceding year, two pesos: Provided, however, That dividends received by a corporation

from another corporation shall not, for the purposes of the additional tax, be considered as part of the gross receipts or earnings of said corporation.

"The term 'corporation' as used in this Act includes joint-stock company, partnership, joint account (cuenta en participacion), association, or insurance company, no matter how created or organized.

"The term 'resident foreign' when applied to a corporation means a foreign corporation engaged in trade or business within the Philippines.

"SEC. 4. Exemptions.—The following shall not be taxed under this Act:

"(a) Diplomatic and consular representatives and officers of foreign powers;

"(b) Commissioned officers of the United States Army and Navy;

"(c) Enlisted soldiers, sailors and marines of the United States Army and Navy;

"(d) Civilian officers and employees of the military, naval or other branch of the United States Government who are not Filipino citizens;

"(e) Transient visitors when their stay in the Philippines does not exceed three months; and

"(f) Barrio lieutenants and their substitutes, barrio councilors and policemen while holding office as such."

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

Approved, June 16, 1956.

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