

AN ACT TO AMEND SECTION ONE HUNDRED THIRTY-SEVEN OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED BY REPUBLIC ACTS NUMBERED FIFTY-SIX AND TWO HUNDRED AND NINETEEN.

REPUBLIC ACT NO. 419, June 18, 1949

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

SECTION 1. Section one hundred and thirty-seven of the National Internal Revenue Code, as amended by section six of Republic Act Numbered Fifty-six and section four of Republic Act Numbered Two hundred and nineteen, is hereby further amended to read as follows:

"SEC. 137. Specific tax on cigars and cigarettes.—On cigars and cigarettes 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, does not exceed thirty pesos per thousand, on each thousand, two pesos and thirty centavos.

"(2) When the manufacturer's or importer's wholesale price, less the amount of the tax, exceeds thirty pesos but does not exceed sixty pesos per thousand, on each thousand, four pesos and sixty centavos.

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

"(b) Cigarettes—

"(1) When the manufacturer's or importer's wholesale price, less the amount of the tax, is three pesos and fifty centavos or less per thousand, on each thousand, two pesos.

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

"(3) When the manufacturer's or importer's wholesale price, less the amount of the tax, exceeds four pesos and fifty centavos but not more than six pesos per thousand, on each thousand, eight pesos.

"(4) When the manufacturer's or importer's wholesale price, less the amount of the tax, exceeds six pesos per thousand, on each thousand, ten 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 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: Provided, however, That when such maximum wholesale price is less than the cost of manufacture or importation plus all expenses incurred until the cigars or cigarettes are finally sold by the manufacturer or importer, such cost plus expenses shall determine the amount of tax to be applied: And provided, further, That on all cigarettes which have been mechanically packed, or are more than eighty millimeters in length, a minimum tax of four pesos per thousand shall be collected, irrespective of whether the price at which such cigarettes are sold by the manufacturer or importer is three pesos and fifty centavos or less per thousand. Cigarettes shall be considered as mechanically packed when at any stage of the packing, a machine or any

mechanical contrivance shall have been used.

"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 showing the maximum wholesale prices of cigars and cigarettes, together with the cost of manufacture or importation plus expenses incurred or to be incurred until the cigars or cigarettes are finally sold 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 Title without previous written notice to said Collector of Internal Revenue. In the case of imported cigars and cigarettes, the sworn statement required herein shall be accompanied by verified sales invoices of the manufacturers of the cigars and cigarettes."

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

Approved, June 18, 1949.

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