

AN ACT TO AMEND CERTAIN SECTIONS OF THE NATIONAL INTERNAL REVENUE CODE, RELATIVE TO DOCUMENTARY STAMP TAXES.

REPUBLIC ACT NO. 40, October 01, 1946

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

SECTION 1. Section two hundred and eleven of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 211. Stamp tax on bonds, debentures, and certifications of indebtedness.—On all bonds, debentures, and certificates of indebtedness issued by any association, company, or corporation, there shall be collected a documentary stamp tax of thirty centavos on each two hundred pesos, or fractional part thereof, of the face value of such documents."

SEC. 2. Section two hundred and twelve of Commonwealth Act Numbered Four hundred and sixty-six is hereby amended to read as follows;

"SEC. 212. Stamp tax on original issue of certificates of stock.—On every original issue, whether on organization, reorganization, or for any lawful purpose, of certificates of stock by any association, company, or corporation, there shall be collected a documentary stamp tax of thirty centavos on each two hundred pesos, or fractional part thereof, of the par value of such certificates: Provided, That in the case of the original issue of stock without par value the amount of the documentary stamp tax herein prescribed shall be based upon the actual consideration received by the association, company, or corporation for the issuance of such stock, and in the case of stock dividends, on the actual value represented by each share."

SEC. 3. Section two hundred and thirteen of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 213. Stamp tax on sales, agreements to sell, memoranda of sales, deliveries or transfer of bonds, due-bills, certificates of obligation, or shares or certificates of stock.—On all sales, or agreements to sell, or memoranda of sales, or deliveries, or transfer of bonds, due-bills, certificates of obligation, or shares or certificates of stock, in any association, company, or corporation, or transfer of such securities by assignment in blank, or by delivery, or by any papers or agreement, or memorandum or other evidences of transfer or sale whether entitling the holder in any manner to the benefit of such bonds, due-bills, certificates of obligation or stock, or to secure the future payment of money, or for the future transfer of any bond, due-bill, certificate of obligation or stock, there shall be collected a documentary stamp tax of six centavos on each two hundred pesos, or fractional part thereof, of the par value of such bond, due-bill, certificates of obligation or stock: Provided, That only one tax shall be collected on each sale or transfer of stock or securities from one person to another, regardless of whether or not a certificate of stock or obligation is issued, indorsed, or delivered in pursuance of such sale or transfer: And provided, further, That in the case of stock without par value the amount of the documentary stamp tax herein prescribed shall be equivalent to twenty per centum of the documentary stamp tax paid upon the original issue of said stock."

SEC. 4. Section two hundred and fifteen of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 215. Stamp tax on certificates of profits or interest in property or accumulations.—On all certificates of profits, or any certificate or memorandum showing interest in the property or accumulations of any association, company, or corporation, and on all transfers of such certificates or memoranda, there shall be collected a documentary stamp tax of four centavos on each two hundred pesos, or fractional part thereof, of the face value of such certificate or memorandum."

SEC. 5. Section two hundred and sixteen of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 216. Stamp tax on bank checks, drafts, certificates of deposit not bearing interest, and other instruments.—On each bank check, draft, or certificate of deposit not drawing interest, or order for the payment of any sum of money drawn upon or issued by any bank, trust company, or any person or persons, companies or corporations, at sight or on demand, there shall be collected a documentary stamp tax of four centavos."

SEC. 6. Section two hundred and seventeen of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 217. Stamp tax on negotiable promissory notes, bills of exchange, drafts, certificates of deposit bearing interest and others not payable on sight or demand.—On all bills of exchange (between points within the Philippines), drafts or certificates of deposit drawing interest, or orders for the payment of any sum of money otherwise than at sight or on demand, or on all negotiable promissory notes, except bank notes issued for circulation, and on each renewal of any such note, there shall be collected a documentary stamp tax of four centavos on each two hundred pesos, or fractional part thereof, of the face value of any such bill of exchange, draft, certificate of deposit, or note."

SEC. 7. Section two hundred and eighteen of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 218. Stamp tax upon acceptance of bills of exchange and others.—Upon any acceptance of payment of any bill of exchange or order for the payment of money purporting to be drawn in a foreign country but payable in the Philippines, there shall be collected a documentary stamp tax of six centavos on each two hundred pesos, or fractional part thereof, of the face value of any such bill of exchange or order, or the Philippine equivalent of such value, if expressed in foreign currency."

SEC. 8. Section two hundred and nineteen of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 219. Stamp tax on foreign bills of exchange and letters of credit.—On all foreign bills of exchange and letters of credit (including orders, by telegraph or otherwise, for the payment of money issued by express or steamship companies or by any person or persons) drawn in but payable out of the Philippines in a set of three or more according to the custom of merchants and bankers, there shall be collected a documentary stamp tax of six centavos on each two hundred pesos, or fractional part thereof, of the face value of any such bill of exchange or letter of credit, or the Philippine equivalent of such face value, if expressed in foreign currency."

SEC. 9. Section two hundred and twenty of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 220. Stamp tax on life insurance policies.—On all policies of insurance or other instruments by whatever name the same may be called, whereby any insurance shall be made or renewed upon any life or lives, there shall be collected a documentary stamp tax of fifteen centavos on each two hundred pesos, or fractional part

thereof, of the amount insured by any such policy."

SEC. 10. Section two hundred and twenty-one of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 221. Stamp tax on policies of insurance upon property.—On all policies of insurance or other instruments by whatever name the same may be called, by which insurance shall be made or renewed upon property of any description, including rents or profits, against peril by sea or on inland waters or by fire or lightning, there shall be collected a documentary stamp tax of six centavos on each four pesos, or fractional part thereof, of the amount of premium charged."

SEC. 11. Section two hundred and twenty-two of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 222. Stamp tax on fidelity bonds and other insurance policies.—On all policies of insurance or bonds or obligations of the nature of indemnity for loss, damage, or liability made or renewed by any person, association, company, or corporation transacting the business of accident, fidelity, employer's liability, plate glass, steam boiler, burglar, elevator, automatic sprinkler, or other branch of insurance (except life, marine, inland, and fire insurance), and all bonds, undertakings, or recognizes, conditioned for the performance of the duties of any office or position, for the doing or not doing of anything therein specified, and on all obligations guaranteeing the validity or legality of any bonds or other obligations issued by any province, city, municipality, or other public body or organization, and on all obligations guaranteeing the title to any real estate, or guaranteeing any mercantile credits, which may be made or renewed by any such person, company or corporation, there shall be collected a documentary stamp tax of six centavos on each four pesos, or fractional part thereof, of the premium charged."

SEC. 12. Section two hundred and twenty-three of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 223. Stamp tax on policies of annuities.—On all policies of annuities, or other instruments by whatever name the same may be called, whereby an annuity may be made, transferred, or redeemed, there shall be collected a documentary stamp tax of thirty centavos on each two hundred pesos, or fractional part thereof, of the capital of the annuity, or should this be unknown, then on; each two hundred pesos, or fractional part thereof, of thirty-three and one-third times the annual income."

SEC. 13. Section two hundred and twenty-four of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 224. Stamp tax on indemnity bonds.—On all bonds for indemnifying any person, firm, or corporation who shall become bound or engaged as surety for the payment of any sum of money or for the due execution or performance of the duties of any office or position or to account for money received by virtue thereof, and on all other bonds of any description, except such as may be required in legal proceedings, or are otherwise provided for herein, there shall be collected to documentary stamp tax of seventy-five centavos."

SEC. 14. Section two hundred and twenty-five of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 225. Stamp tax on certificates.—On each certificate of damage, or otherwise, and on every other certificate or document issued by any customs officer, marine surveyor, or other person acting as such, and on each certificate issued by a notary public, and on each certificate of any description required by law, or by rules or regulations of a public office, or which is issued for the purpose of giving information, or establishing proof of a fact, and not otherwise specified herein, there shall be collected a documentary stamp tax of thirty centavos: Provided, That in the case of tax clearance certificates, there shall be collected a documentary stamp

tax of fifteen pesos each on certificate for a first class passenger; eight pesos for a second or tourist class passenger; and two pesos for a third class or steerage passenger."

SEC. 15. Section two hundred and twenty-six of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 226. Stamp tax on warehouse receipts.—On each warehouse receipt for property held in storage in a public or private warehouse or yard for any other person than the proprietor of such warehouse or yard himself, there shall be collected a documentary stamp tax of thirty centavos: Provided, That no tax shall be collected on each warehouse receipt issued to any one person in any one calendar month covering property the value of which does not exceed two hundred pesos."

SEC. 16. Section two hundred and twenty-seven of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 227. Stamp tax on bills of lading or receipts.— On each set of bills of lading or receipts (except charter party) for any goods, merchandise, or effects shipped from one port or place in the Philippines to another port or place in the Philippines, or to any foreign port, there shall be collected a documentary stamp tax of six centavos, if the value of such goods exceeds five pesos and does not exceed two hundred pesos; fifteen centavos, if the value exceeds two hundred pesos and does not exceed one thousand pesos; thirty centavos, if the value exceeds one thousand pesos and does not exceed five thousand pesos; seventy-five centavos, if the value exceeds five thousand pesos and does not exceed ten thousand pesos; and one peso and fifty centavos, if the value exceeds ten thousand pesos."

SEC. 17. Section two hundred and twenty-eight of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 228. Stamp tax on passage tickets.—On each passage ticket, whether a single fare or return ticket, or any receipt for money paid for the passage of a person on any vessel or other means of transportation other than a vessel or other means of transportation belonging to the Government of the Republic of the Philippines from any port or place in the Philippines to any port or place in any foreign country, there shall be collected a documentary stamp tax at the following rates:

"(a) If said passage costs not more than sixty pesos, five pesos.

"(b) If said passage costs more than sixty pesos and not more than one hundred twenty pesos, eight pesos.

"(c) If said passage costs more than one hundred and twenty pesos and not more than two hundred and fifty pesos, ten pesos.

"(d) If said passage costs more than two hundred and fifty pesos and not more than five hundred pesos, fifteen pesos.

"(e) If said passage costs more than five hundred pesos, twenty-five pesos."

SEC. 18. Section two hundred and twenty-nine of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 229. Stamp tax on proxies.—On each proxy for voting at any election for officers of any company or association, or for any other purpose, except proxies issued affecting the affairs of associations or corporations organized for religious, charitable, or literary purposes, there shall be collected a documentary stamp tax of fifty centavos."

SEC. 19. Section two hundred and thirty of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 230. Stamp tax on powers of attorney.—On each power of attorney to perform any act whatsoever, except acts connected with the collection of claims due from or accruing to the Government of the Republic of the

Philippines or the government of any province, city, or municipality, there shall be collected a documentary stamp tax of thirty centavos: Provided, however, That on each power of attorney which authorizes another to administer, sell, lease, or otherwise dispose of the property of a principal, there shall be collected a documentary stamp tax of sixty centavos."

SEC. 20. Section two hundred and thirty-one of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 231. Stamp tax on leases and other hiring agreements—on each lease, agreement, memorandum, or contract for hire, use, or rent of any lands or tenements, or portions thereof, there shall be collected a documentary stamp tax at the following rates:

"(a) If executed for not more than one year, sixty centavos.

"(b) If executed for more than one year and not more than three years, one peso and fifty centavos.

"(c) If executed for more than three years, three pesos."

SEC. 21. Section two hundred and thirty-two of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 232. Stamp tax on mortgages, pledges, and deeds of trust.—On every mortgage or pledge of lands, estate, or property, real or personal, heritable or movable, whatsoever, where the same shall be made as a security for the payment of any definite and certain sum of money lent at the time or previously due and owing or forborne to be paid being payable, and on any conveyance of land, estate, or property, whatsoever, in trust or to be sold, or otherwise converted into money, which shall be and intended only as security, either by express stipulation or otherwise, there shall be collected a documentary stamp tax at the following rates:

"(a) When the amount for which the mortgage or deed of trust is given exceeds one thousand pesos and does not exceed three thousand pesos, one peso and fifty centavos.

"(b) On each three thousand pesos or fractional part thereof in excess of three thousand pesos, an additional tax of one peso and fifty centavos:

SEC. 22. Section two hundred and thirty-three of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 233. Stamp tax on deeds of sale and conveyances of real property.—On all conveyances, deeds, instruments or writings, other than grants, patents, or original certificates of adjudication issued by the Government, whereby any lands, tenements, or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to the purchaser or purchasers, or to any other person or persons designated by such purchaser or purchasers, there shall be collected a documentary stamp tax at the following rates:

"(a) When the consideration, or value received or contracted to be paid for such realty, after making proper allowance for any incumbrance, exceeds two hundred pesos and does not exceed one thousand pesos, seventy-five centavos.

"(b) For each additional one thousand pesos, or fractional part thereof in excess of one thousand pesos of such consideration or value, one peso and fifty centavos.

"When it appears that the amount of the documentary stamp tax payable hereunder has been reduced by an incorrect statement of the consideration in any conveyance, deed, instrument, or writing subject to such tax, the Collector of Internal Revenue, provincial or city treasurer, or other revenue officer shall, from the assessment rolls, or other reliable source of information, assess the property at its true market value and collect the proper tax thereon.

SEC. 23. Section two hundred and thirty-four of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 234. Stamp tax on charter parties and similar instruments.—On every charter party, contract, or agreement for the charter of any ship, vessel, or steamer, or any letter or memorandum or other writing between the captain, master, or owner, or other person acting as agent of any ship, vessel, or steamer, and any other person or persons for or relating to the charter of any such ship, vessel, or steamer, and on any renewal or transfer of such charter, contract, agreement, letter, or memorandum, there shall be collected a documentary stamp tax at the following rates:

"(a) If the registered gross tonnage of the ship, vessel or steamer does not exceed three hundred tons, and the duration of the charter or contract does not exceed six months, eighteen pesos; and for each month or fraction of a month in excess of six months, an additional tax of three pesos shall be paid.

"(b) If the registered gross tonnage exceeds three hundred tons and does not exceed six hundred tons, and the duration of the charter or contract does not exceed six months, thirty-six pesos; and for each month or fraction of a month in excess of six months, an additional tax of six pesos shall be paid.

"(c) If the registered gross tonnage exceeds six hundred tons and the duration of the charter or contract does not exceed six months, seventy-two pesos; and for each month or fraction of a month in excess of six months, an additional tax of twelve pesos shall be paid."

SEC. 24. Section two hundred and thirty-six of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 236. Documents and papers not subject to stamp tax.—The following instruments, documents, and papers shall be exempt from the documentary stamp tax:

"(a) Bonds, debentures, and certificates of indebtedness issued by the Government of the Republic of the Philippines, or the government of any province, city, or municipality.

"(b) Checks, drafts, warrants, and bills of exchange issued in payment of any debt, obligation, or liability, or in fulfillment of any contract of the Government of the Republic of the Philippines, or the government of any province, city, or municipality; similar instruments issued in payment of salaries or wages of personnel of the United States Army or Navy similar instruments issued in payment of pensions, gratuities, or compensation of veterans, their widows, heirs or dependents.

"(c) Policies of insurance or annuities made or granted by a fraternal or beneficiary society, order, association, or cooperative company, operated on the lodge system or local cooperation plan and organized and conducted solely by the members thereof for the exclusive benefit of its members and not for profit.

"(d) Certificates of oaths administered to any Government official, in his official capacity, or of acknowledgment by any Government official in the performance of his official duties; written appearances in any court by any Government official, in his official capacity; certificates of the administration of oaths to any person as to the authenticity of any paper required to be filed in court by any person or party thereto, whether the proceedings be civil or criminal; papers and documents filed in courts by or for the national, provincial, city, or municipal governments; affidavits of poor persons for the purpose of proving poverty; statements and other compulsory information required of persons or corporations by rules and regulations of the national, provincial, city, or municipal governments exclusively for statistical purposes and which are wholly for the use of the bureau or office in which the name are filed, and not at the instance or for the use or benefit of the person filing the same; certified copies and other certificates placed upon documents, instruments, and papers for the national, provincial, city, or municipal governments, made at the instance and for the sole use of some other branch of the national, provincial, city or municipal governments; and certificates of the assessed value of lands, not exceeding two hundred pesos in value assessed, furnished by provincial, city, or municipal treasurer to applicants for registration of title to land.

"When any bond, note, or other obligation is secured by a mortgage, pledge, deed of trust, or by the assignment or transfer of any documentary security, one tax only shall be collected upon such papers, such tax to be at the highest rate imposed on such mortgage, bond, note, obligation, or other document, as the case may be."

SEC. 25. This Act shall take effect on October first, nineteen hundred and forty-six.

Approved, October 1, 1946.

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