

ENACTING A LOCAL TAX CODE FOR PROVINCES, CITIES, MUNICIPALITIES AND BARRIOS.

PRESIDENTIAL DECREE NO. 231, June 28, 1973

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WHEREAS, the Constitution under Section 5, Article XI, enjoins that "Each local government unit shall have the power to create its own sources of revenue and levy taxes, subject to such limitations as may be provided by law";

WHEREAS, the Constitution under Section 2, Article XI, also enjoins the allocation among the different local government units of their powers and resources;

WHEREAS, the Constitution provides that the State shall guarantee and promote the autonomy of local government units to ensure their fullest development as self-reliant communities and local autonomy can be guaranteed and enhanced only by enabling the local government units to exploit fully their taxing and other revenue-raising powers;

WHEREAS, there is an urgent and compelling need to codify all existing tax laws scattered in a welter of various acts, Commonwealth acts and Republic acts, as well as in a number of Supreme Court decisions, for a more efficient system of local tax administration that will work to the benefit of both the Government and the taxpayer;

WHEREAS, a local tax code delineating the taxing powers of the different local government units and limiting the same powers conformably to the provisions of the Constitution will ensure uniformity in local taxation, obviate multiple and competitive local impositions and generate adequate resources for the local government units without overburdening the taxpayers; and

WHEREAS, a local tax code insuring adequate resources will also transform the local government units into effective instruments of national development and progress;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines, and pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972 as amended, in compliance with the pertinent mandates of the Constitution and to provide the local government units with adequate sources of revenue that will make them viable, self-sufficient and effective instruments of national development and progress, without over-burdening the taxpayers, hereby adopt, promulgate and decree, as it is hereby adopted, promulgated and decreed as part of the law of the land the attached Local Tax Code for implementation. This Decree shall take effect July 1, 1973.

Done in the City of Manila, this 28th day of June, in the year of Our Lord ninety., hundred and seventy-three.

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

By the President:

(Sgd.) ROBERTO V. REYES

Assistant Executive Secretary

The following is the text of The Local Tax Code attached to Presidential Decree No. 231

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THE LOCAL TAX CODE

CHAPTER 1.

GENERAL PROVISIONS

SECTION 1. Scope. — This Code shall govern the exercise by provinces, cities, municipalities and barrios of their taxing and other revenue-raising powers.

SEC. 2. Fundamental principles. — The exercise of the taxing and other revenue-raising powers vested in local governments shall be guided by the following fundamental principles:

- (a) Taxation shall be uniform in each local political subdivision;
- (b) Taxes and other impositions shall be based as much as possible on the taxpayers' ability to pay;
- (c) Taxes shall be levied and collected only for public purposes;
- (d) Taxes and other impositions must not be unjust, excessive, oppressive or confiscatory;
- (e) Taxes and other impositions must not be contrary to law, public policy and national economic policy, nor in restraint of trade;
- (f) In no case shall the collection of local taxes and other impositions be let to any person;
- (g) The monies collected under this Code shall ensure solely to the benefit of, and subject to disposition by, the local government imposing the tax or fee, unless otherwise specifically provided herein; and
- (h) It shall be the responsibility of each local political subdivision to evolve a progressive system of taxation.

SEC. 3. Definitions. — When used in this Code —

- Agricultural product is confined to the yield of the soil such as corn, rice, wheat, rye, hay, etc., and includes ordinary salt as well as all kinds of fish and their by-products, poultry, livestock and animal products, whether in their original form or not. The character of being agricultural products is not taken away merely because the produce undergoes processing at the hand of the producer or owner for the purpose of working his product into a more convenient and valuable form suited to meet the demand of an expanded market, or for the purpose of increasing or prolonging the marketability of the product.

The phrase "whether in their original form or not" means the transformation of said products by the application of

simple processes to preserve or otherwise to prepare said products for the market such is freezing, drying, salting, smoking or stripping.

- Amusement is a pleasurable diversion and entertainment. It is synonymous to recreation, relaxation, avocation, pastime or fun.

- Amusement places includes theaters, cinematographs, concert halls, circuses and other places of amusement where one seeks admission to entertain himself by seeing or viewing the show or performance. It includes those places where one seeks admission to entertain himself by direct participation.

- Brewer includes all persons who manufacture fermented liquors of any description for sale or delivery to others, but does not include manufacturers of tuba, basi, tapuy, or similar domestic fermented liquors, whose daily production do not exceed two hundred gauge liters.

- Business means commercial activity customarily engaged in as a means of livelihood and typically involving some independence of judgment and power of decision.

- Calling means one's regular business, trade, profession, vocation or employment which does not require the passing of an appropriate government board or bar examination, such as professional actors and actresses, hostesses, masseurs, commercial stewards and stewardesses, etc.

- Capital signifies the actual estate, whether in money or property owned by an individual or corporation; it is a fund with which it transacts its business, which would be liable to each creditor, and which in case of insolvency passes to a receiver.

- Capital investment is the capital which a person puts in any undertaking, or which he contributes to the common stock of a partnership, corporation, or any other juridical entity or association.

- Charges refers to pecuniary liability, as rents or fees against property, persons or organizations.

- Confiscatory is that which amounts to undue seizure or forfeiture of private property in favor of the public treasury.

- Corporation includes joint-stock company, partnership, association, insurance company, or any other juridical entity, no matter how created.

The term "resident foreign" when applied to a corporation means a foreign corporation engaged in trade or business within the Philippines or having an office or place of business therein.

- Dealer means one whose business it is to buy and sell merchandise, goods, and chattels, or a merchant. He stands immediately between the producer or manufacturer and the consumer and depends for his profit not upon the labor he bestows upon his commodities but upon the skill and foresight with which he watches the market.

- Excessive means that which is characterized by whatever is notably greater than what is moderate, reasonable, proper, usual, necessary and just.

- Fee means a charge fixed by law or agency for the services of a public officer.

- Gross receipts includes all monies and properties received in consideration of services rendered or articles sold, exchanged or leased, without any deduction; or the whole amount of the receipt of the business before the cost of production is deducted therefrom.

- Hotel includes any house or building or portion thereof in-which any person or persons may be regularly harbored or received as transients or guests. A hotel shall be considered as living quarters and shall have the

privilege to accept any number of guests and to serve food to the guests or customers therein.

- Levy means an imposition or collection of an assessment, tax, tribute or fine.

- License is a right or permission granted in accordance with law by a competent authority to engage in some business or occupation or to engage in some transaction.

- Local government includes provinces, cities, municipalities and barrios.

- Lodging house includes any house or building, or portion thereof, in which any person or persons may be regularly harbored or received as transients for compensation. Taverns or inns shall be considered as lodging houses.

- Manufacturer includes every person who, for the purpose of sale or distribution to others and not for his own use or consumption, by physical or chemical process:

(1) alters the exterior texture or form, or inner substance of any raw material, or manufactured or partially manufactured product in such manner as to prepare it for a special use or uses to which it could not have been put in its original condition;

(2) alters the quality of any such raw material, or manufactured or partially manufactured products so as to reduce it to marketable shape or prepare it for any use or industry; or

(3) combines any raw material, or manufactured or partially manufactured product with other materials or products of the same or of a different kind in such manner that the finished product of such process or manufacture can be put to a special use or uses to which such material, or manufactured or partially manufactured product in its original condition could not have been put.

- Market premises refers to any open space in the market compound; part of the market lot consisting of bare ground not covered by market buildings, usually occupied by transient vendors specially during market days.

- Motel includes any house or building, or portion thereof, in which any person or persons may be regularly harbored or received as transients or guests and which is provided with a common enclosed garage or individually enclosed garage where such transients or guests may park their motor vehicles.

- Motor vehicle means any vehicle propelled by any power other than muscular power using the public roads, but excepting road rollers, trolley cars, street-sweepers, sprinklers, lawn mowers, bulldozers, graders, forklifts, amphibian trucks, and cranes if not used on public roads, vehicles which run only on rails or tracks, and tractors, trailers and traction engines of all kinds used exclusively for agricultural purposes.

- Occupation means one's regular business or employment, or an activity which principally takes up one's time, thought and energies. It includes any calling, business, trade, profession or

- Operator includes the owner, manager, administrator, or any other person who operates or is responsible for the operation of business establishment or undertaking.

(a-1) Oppressive means unreasonably burdensome, unjustly severe, or harsh. (b-1) Peddler means any person who, either for himself or on commission, travels from place to place 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 or retail dealer as provided in this Code.

(c-1) Person means every physical or moral, real or juridical and legal being, susceptible of rights and obligations or of being the subject of legal relations.

(d-1) Privilege means a right or immunity granted as a peculiar benefit, advantage or favor.

(e-1) Profession means a calling which requires the passing of an appropriate government board or bar

examination, such as the practice of law, medicine, public accountancy, engineering, etc.

(f-1) Public market refers to any place, building, or structure of any kind designated as such by the local board or council.

(g-1) Rental means the value of the consideration, whether in money or otherwise, given for the enjoyment or use of a thing.

(h-1) Residents refers to natural persons who have their habitual residence in the province, city or municipality where they exercise their civil rights and fulfill their civil obligations, and to juridical persons for which the law or any other provision creating or recognizing them fixes their residence in a particular province, city or municipality. In the absence of each law, juridical persons are residents of the province, city or municipality where their legal representation is established or where they exercise their principal functions.

(i-1) Retail means a sale where the purchaser buys the commodity for his own consumption, irrespective of the quantity of the commodity sold.

(j-1) Revenue includes taxes, fees and charges that a state or its political subdivision collects and receives into the treasury for public purposes.

(k-1) Services means the duties, work or business performed or discharged by a government official, or by a private person, as the case may be.

(l-1) Stall refers to any allotted space or booth in the public market where merchandise of any kind is sold or offered for sale.

(m-1) Tax means an enforced contribution, usually monetary in form, levied by the law-making body on persons and property subject to its jurisdiction for the precise purpose of supporting governmental needs.

(n-1) Unjust means deficient in justice and fairness.

(o-1) Vessel includes any sort of boat, craft, or other artificial contrivance used, or capable of being used, as a means of transportation on water.

(p-1) Wharfage means a fee assessed against the cargo of a vessel engaged in foreign trade based on the quantity, weight or measure received and/or discharged by such vessel.

(q-1) Wholesale means a sale where the purchaser buys the commodities for resale, regardless of the quantity of the transaction.

SEC. 4. Local authority. — Whenever the power to impose and collect a tax or other revenue is exercised under this Code, that power shall be exercised by the provincial board in the case of provinces, the city council or municipal board in the case of cities, the municipal council in the case of municipalities, or the barrio council in the case of barrios.

SEC. 5. Common limitations on the taxing powers of local governments. — The exercise of the taxing powers of provinces, cities, municipalities and barrios shall not extend to the imposition of the following:

- (a) Documentary stamp tax;
- (b) Taxes on forest products and forest concessions;
- (c) Taxes on estates, inheritance, gifts, legacies and other acquisitions mortis causa, except as otherwise provided in this Code;
- (d) Taxes on income of any kind whatsoever;
- (e) Taxes or fees for the registration of motor vehicles and for the issuance of all kinds of licenses or permits for the driving thereof;
- (f) Customs duties, registration fees of vessels except as otherwise provided in this Code, and wharfage on wharves, tonnage dues, and all other kinds of customs fees, charges and dues except wharfage on wharves constructed and maintained by the local government concerned at rates not exceeding those fixed by the Tariff and Customs Code;
- (g) Taxes of any kind on banks and insurance companies;

- (h) Taxes on premiums paid by owners of property who obtain insurance directly with foreign insurance companies;
- (i) Export taxes, fees, or other levies on Philippine finished, manufactured or processed products and products of Philippine cottage industries;
- (j) Taxes and other impositions upon goods carried into or out of, or passing through, the territorial jurisdictions of local governments in the guise of unreasonable charges for wharfage use of bridges, or otherwise, or other taxes in any form whatever upon such goods or merchandise;
- (k) Taxes or fees on agricultural products when sold by the farmer or producer thereof, whether in their original form or not; and
- (l) Percentage tax on sales, except as otherwise provided in this Code.

CHAPTER II

SPECIFIC PROVISIONS ON THE TAXING AND OTHER REVENUE-RAISING POWERS OF LOCAL GOVERNMENTS

Article I. Provinces

SEC 6. Scope of power. — Except as otherwise provided in this Code, the province may impose among others, the taxes, fees or charges specifically mentioned in this Article.

SEC 7. Tax on transfer of real property ownership. — The province may impose a tax on the sale, donation, barter, or on any other mode of transferring ownership or title, of real property at the rate of not exceeding one-fourth of one percent of the total consideration involved in the acquisition of the property or of its assessed value, whichever is higher, or in the absence of a specific consideration, the assessed value of the property.

The transfer of real property ownership pursuant to Republic Act No. 3844, as amended, shall be exempt from this tax.

For this purpose, the Register of Deeds of the province concerned shall, before registering any deed, require the presentation of the evidence of payment of this tax.

Real property, for purposes of this tax, refers only to lands, buildings, and machineries intended by the owner of the land or building for an industry or works which may be carried on in a building or on a piece of land and which tends directly to meet the needs of the said industry or works. Buildings refer to all kinds of structure more or less permanently attached to a piece of land, excluding those which are merely superimposed on the soil.

SEC. 8. Tax on business of printing and publication. — The province may impose a tax on the business of persons engaged in the printing and/or publication of:

- any newspaper, magazine, review, or bulletin appearing at regular intervals, with fixed prices for subscription and sale and published in the province;
- books, cards, posters, leaflets, handbills, certificates, receipts, pamphlets, and others of similar nature, at the rate of not exceeding one-half of one percent of the gross annual receipts for the preceding calendar year. In the case of newly started business, the rate shall not exceed one hundred pesos for a printer, fifty pesos for a publisher, and one hundred and fifty pesos for one who is both a printer and publisher.

The receipts from the printing and/or publishing of books or other reading materials prescribed by the Department of Education and Culture as school texts or references shall not be included in the gross receipts subject to the tax herein imposed.

SEC. 9. Franchise to. — Any provision of special laws to the contrary notwithstanding, province may impose a lax on businesses enjoying franchise, based on the gross receipts realized within its territorial jurisdiction, at the rate of not exceeding one-half of one percent of the gross annual receipts for the preceding calendar year.

In the case of newly started business, the rate shall not exceed three thousand pesos per year. Sixty percent of the proceeds of the tax shall accrue to the general fund of the province and forty percent to the general fund of the municipalities serviced by the business on the basis of the gross annual receipt derived therefrom by the franchise holder. In the case of a newly started business, forty percent of the proceeds of the tax shall be divided equally among the municipalities serviced by the business.

SEC. 10. Sand and gravel fee. — The province may levy and collect a fee of not exceeding seventy, five centavos per cubic meter of ordinary stones, sand, gravel, earth and other materials extracted from public and private lands of the Government or from the beds of seas, lakes, rivers, streams, creeks, and other public waters within the jurisdiction of the province.

SEC. 11. Taxes transferred. — The imposition of the taxes provided in Sections 12, 13, 14, 15 and 16 of this Code heretofore exercised by the National Government or the municipal government, shall henceforth be exercised by the provincial government, to the exclusion of the national or municipal government. To avoid any revenue loss, the province shall levy and collect such taxes as provided in said Sections 12, 13 and 14.

SEC. 12. Occupation tax. — The province shall levy an annual occupation tax on all persons engaged in the exercise or practice of their profession or calling as follows:

- Seventy-five pesos:

Lawyers, medical practitioners, architects, interior decorators, certified public accountants, civil, electrical, chemical, mechanical, mining or sanitary engineers, pharmacists, medical technologists, insurance agents and sub-agents, customs brokers, marine surveyors, actuaries, registered master plumbers, registered electricians, veterinarians, dentists, optometrists, opticians, commercial aviators, professional appraisers or connoisseurs of tobacco and other domestic or foreign products, licensed ship masters and marine chief engineers.

Mechanical plant engineers, junior mechanical engineers and certified plant mechanics, unless they are professional mechanical engineers and have paid the corresponding fixed tax for mechanical engineers.

- Fifty pesos:

Land surveyors, chief mates, marine second engineers, registered nurses, chiropodists, tattooers, masseurs, pelotaris, jockeys, professional actors and actresses, stage performers, hostesses, statisticians, commercial stewards and stewardesses, flight attendants, insurance adjusters, dietitians and embalmers. The Secretary of Finance shall include within the purview of the occupation tax other professions or callings not hereinabove enumerated which in the light of prevailing circumstances should properly be included therein and their corresponding tax rates. The tax imposed on such professions shall take effect two months after publication in a newspaper of general circulation.

Every person legally authorized to practice his profession or calling shall pay the tax to the province where, he practices his profession or pursues his calling, or where he maintains his principal office in cases where the person practices his profession or pursues his calling in several places: Provided, That such person who has paid the corresponding occupation Lax as herein fixed shall be entitled to practice his profession or calling in all parts of the Philippines without being subject to any other national or local tax, license or fee for the practice of such profession or calling.

Any individual or corporation employing a person shall require payment by that person of the privilege tax on

occupation before employment and annually thereafter.

The occupation tax shall be payable annually, on or before the thirty-first day of January. Any person first beginning an occupation or calling after the month of January must however pay the full tax before engaging therein. One line of occupation or calling does not become exempt by being conducted with some other occupation or calling for which the tax has been paid. Professionals exclusively employed in the Government shall be exempt from the payment of this tax.

The occupation tax shall lie collected by the municipal treasurers and remitted to the provincial treasurer within ten days following the end of the month of collection. Seventy percent of the proceeds of the tax shall accrue to the general fund of the province and thirty percent shall be divided equally among the municipalities. The provincial treasurer shall release the shares of the municipalities within thirty days following the remittance of the collections by the municipal treasurer.

Any person subject to the occupation tax shall write or print in deeds, receipts, prescriptions, reports, books of accounts, plans and designs, surveys and maps, as the case may be, the number of the official receipt issued to him.

SEC. 13. Amusement tax on admission. — The province shall impose a tax on admission to be collected from the proprietors, lessees, or operators of theaters, cinematographs, concert hall, circuses and other places of amusement at the following rates:

- When the amount paid for admission is one peso or less, twenty percent; and
- When the amount paid for admission exceeds one peso, thirty percent.

In the case of theaters or cinematographs, the taxes herein prescribed shall first be deducted and withheld by the proprietors, lessees, or operators of the theaters or cinematographs and paid to the provincial treasurer concerned thru the municipal treasurer before the gross receipts are divided between the proprietors, lessees, or operators of the theaters or cinematographs and the distributors of the cinematographic films.

The holding of operas, concerts, dramas, recitals, painting and art exhibitions, flower shows, musical programs, literary and oratorical presentations, except film exhibitions and radio or phonographic records thereof, shall be exempt from the payment of the taxes herein imposed.

The taxes hereinabove imposed shall be due and payable within the first twenty days of the month following each quarter, by the proprietor, lessee, or operator concerned, and such taxes to be determined on the basis of a true and complete return of the amount of gross receipts derived during the preceding quarter. If the tax is not paid within the time fixed hereinabove, the taxpayer shall be subject to such surcharges, interests and penalties prescribed by this Code. In case of willful neglect to file the return and pay the tax within the time required or in case fraudulent return is filed or a false return is willfully made, the taxpayer shall be subject to a surcharge of fifty percent of the correct amount of the tax due in addition to the interest and penalties provided by this Code.

SEC. 14. Fees for sealing and licensing of weights and measures. — The province shall collect fees for the sealing and licensing of weights and measures in accordance with the following schedule:

- For sealing linear metric measures: Measures not over one, meter — one peso Measures over one meter — two pesos
- For sealing metric measures of capacity: Measures not over ten liters — one peso Measures over ten liters — two pesos
- For sealing metric instruments of weights:

Those with a capacity of not more than thirty kilograms — two pesos

Those with a capacity of more than thirty but not more than three hundred kilograms — three pesos

Those with a capacity of more than three hundred but not more than three thousand kilograms - five pesos

Those with a capacity of more than three thousand kilograms - six pesos

- For an apothecary balance or other balance of precision, the fee shall be doubled.

- A complete set of weights for each scale or balance shall be sealed free of charge. For each extra weight, the fee shall be fifty centavos.

The fees herein levied shall be paid at the place where the business is conducted. In the case of a peddler or similar itinerant vendor using only one weight or measure, he shall pay the fees in his place of residence.

Municipal treasurers are hereby required to keep full sets of secondary standards in their offices for the use in testing of weights and measures. These secondary standards shall be compared with the fundamental standards in the National Institute of Science and Technology at least once a year. When found to be sufficiently accurate, the secondary standards shall be distinguished by label, tag, or seal, and shall be accompanied by a certificate showing the amount of its variation from the fundamental standards. If the variation is of sufficient magnitude to impair the utility of the instrument, it shall be destroyed in the National Institute of Science and Technology.

The proceeds from these fees shall accrue entirely to the municipalities where collected.

The provincial board shall prescribe the necessary regulations for the use; of such weights and measures.

SEC. 15. Tax on peddlers. — An annual tax on peddlers engaged in the sale of any merchandise or article of commerce within the province, at the rates not exceeding those fixed hereunder:

Amount of tax
per annum

(a)

Peddlers of any article or merchandise carried in trucks or any other motor vehicles

P30.00

(b)

Peddlers of any article or merchandise carried in a motorized bicycle, tricycle or other motorized similar vehicles other than those specified in letter (a) above

15.00

(c)

Peddlers of any article or merchandise carried in cart, carretela or other vehicles drawn by animals

30.00

(d)

Peddlers of any article or merchandise carried on bicycle, pedicab or other similar vehicles

5.00

(e)

Peddlers of any other article or merchandise carried by person

2.00

In addition to the above impositions, a peddler of textiles, jewelry, perfume and other luxury articles shall pay five pesos.

SEC. 16. Rental fee for use of municipal waters, rivers, etc. as log pond. — Any provision of existing laws or rules to the contrary notwithstanding, the province may charge an annual rental fee for the use of municipal waters, rivers, lakes, and the like within its territorial jurisdiction as log pond at the rate not exceeding five centavos per square meter of water space occupied.

Sixty percent of the proceeds of the rentals shall accrue to the province and forty percent to the municipality, or municipalities in equal shares, where the log pond is located.

SEC. 17. Specific limitations on power. — Except as otherwise provided in this Code, the province shall not levy the following:

- (a) Business tax;
- (b) Fishery rental and license fees;
- (c) Tax on articles subject to specific tax under the provisions of the National Internal Revenue Code;
- (d) Taxes and other impositions enumerated in Section 5, Chapter I of this Code; and
- (e) Municipal fees and charges under Section 20 of this Code.

Article 2. Municipalities

SEC. 18. Scops of powers. — Except as otherwise provided in this Code, the municipality may levy, among others, the taxes, fees, or charges provided in this Article, at rates not exceeding those fixed in the following sections.

SEC. 19. Tax on business. — The municipality may impose a tax on businesses as follows:

- (a) Tax on the business of manufacturing, importing, exporting, producing, wholesaling or retailing of, or dealing in, any article of commerce of whatever kind or nature, except those for which fixed taxes are provided herein:

With gross annual sales for for the preceding
calendar year in the amount of:

Amount of tax

per annum

Less than

P 1,000.00

10.00

P

1,000.00

or more but less than

P

2,000.00

P

20.00

2,000.00

or more but less than

3,000.00

30.00

3,000.00

or more but less than

4,000.00

45.00

4,000.00

or more but less than

5,000.00

65.00

5,000.00

or more but less than

6,000.00

80.00

6,000.00

or more but less than

7,000.00

100.00

7,000.00

or more but less than

8,000.00

120.00

8,000.00

or more but less than

10,000.00

160.00

10,000.00

or more but less than

15,000.00

240.00

15,000.00

or more but less than

20,000.00

360.00

20,000.00

or more but less than

30,000.00

520.00

30,000.00

or more but less than

40,000.00

750.00

40,000.00

or more but less than

50,000.00

1,000.00

50,000.00

or more but less than

75,000.00

1,500.00

75,000.00

or more but less than

100,000.00

2,200.00

100,000.00

or more but less than

150,000.00

3,200.00

150,000.00

or more but less than

300,000.00

3,900.00

300,000.00

or more but less than

500,000.00

7,000.00

500,000.00

or more but less than

750,000.00

11,250.00

750,000.00

to

1,000,000.00

16,000.00

For every P50,000.00 or fraction thereof in excess of P1,000,000.00

200.00

In the case of a newly started business, the tax shall be at the rate of not exceeding one-tenth of one percent of its capital investment but in no case shall it be less than the minimum of P25.00 fixed above.

The tax on the business of manufacturing, producing or importing agricultural implements, fertilizers, medicinal grugs, or dairy product shall be one-half of the rates above-prescribed.

For purposes of collection of this tax, manufacturers and producers maintaining or operating branch or sales offices elsewhere shall record the sales in the branch or sales office making the sale and the tax thereon shall accrue to the local government where the branch or sales office is located. In cases where there is no such branch or sales office in the locality where the Bale is effected, the sale shall be duly recorded in the principal office and the tax shall accrue to the local government where said principal office is located.

(b) On cafes, cafeterias, ice-cream and other refreshment parlors, restaurants, soda fountain bars, carinderias or food caterers:

With gross annual sales for for the preceding
calendar year in the amount of:

Amount of tax
per annum

Less than

P 2,000.00

30.00

P

2,000.00

or more but less than

P

3,750.00

P

50.00

3,750.00

or more but less than

4,500.00

70.00

4,500.00

or more but less than

6,125.00

90.00

6,125.00

or more but less than

7,250.00

110.00

7,250.00

or more but less than

8,750.00

130.00

8,750.00

or more but less than

10,275.00

150.00

10,275.00

or more but less than

12,125.00

180.00

12,125.00

or more but less than

15,250.00

220.00

15,250.00

or more but less than

16,750.00

250.00

16,750.00

or more but less than

18,250.00

270.00

18,250.00

or more but less than

20,625.00

290.00

20,625.00

or more but less than

23,375.00

350.00

23,375.00

or more but less than

27,000.00

400.00

27,000.00

or more but less than

30,000.00

450.00

30,000.00

or more but less than

33,000.00

500.00

33,000.00

or more but less than

35,875.00

550.00

35,875.00

or more but less than

40,625.00

610.00

40,625.00

or more but less than

45,500.00

660.00

45,500.00

to

50,000.00

750.00

For every P1,000.00 or fraction thereof in excess of P50,000.00

5.00

In the case of a newly started business, the tax shall be at the rate of not exceeding one-tenth of one percent of its capital investment but in no case shall it be less than the minimum of P30.00 fixed above.

In cases where a single person or juridical entity conducts or operates two or more of the related businesses mentioned in Subsection (a) or in Subsection (b) above, the computation of the tax shall be based on the combined total gross receipts of the said two or more related businesses.

(c) On all business establishments principally rendering or offering to render services, such as repair and

welding shops; service stations; painting shops; plastic lamination, photostatic, white/blue printing, recopying or duplicating services; photographic studios; tailor and dress shops; laundry shops; beauty parlors; battery charging shops; barber shops; assaying laboratories; advertising agencies; collecting agencies; funeral parlors; massage or therapeutic clinics; construction and/or repair shops of motor vehicles, animal-drawn vehicles, bicycles and/or tricycles; goldsmiths and silversmiths; shops for shearing animals; lathe machine shops; vaciador shops; upholstery shops; vulcanizing shops; stables; garages; parking lots; and public warehouses and bodegas:

With gross annual receipts for for the preceding calendar year in the amount of:

Amount of tax
per annum

Less than

P 5,000.00

P

25.00

P

5,000.00

or more but less than

P

10,000.00

56.00

10,000.00

or more but less than

15,000.00

125.00

15,000.00

or more but less than

20,000.00

218.00

20,000.00

or more but less than

30,000.00

375.00

30,000.00

or more but less than

40,000.00

612.00

40,000.00

or more but less than

50,000.00

900.00

50,000.00

or more but less than

75,000.00

1,406.00

75,000.00

or more but less than

100,000.00

2,187.00

100,000.00

or more but less than

150,000.00

3,437.00

150,000.00

or more but less than

200,000.00

5,250.00

200,000.00

or more but less than

250,000.00

7,312.00

250,000.00

or more but less than

300,000.00

9,625.00

300,000.00

or more but less than

400,000.00

13,125.00

400,000.00

500,000.00

18,000.00

For every P10,000.00 or fraction thereof in excess of P500,000.00

100.00

In the case of a newly started business, the tax shall be at the rate of not exceeding one-tenth of one percent of its capital investment but in no case shall it be less than the minimum of P25.00 fixed above.

(d) On the business of brewers, rectifiers, distillers, and repackers of liquors, distilled spirits and/or wines:

Amount of tax
per annum

(1)

Wholesale dealers in foreign liquors

P

800.00

(2)

Wholesale dealers in domestic liquors

400.00

(3)

Retail dealers in foreign liquors

200.00

(4)

Retail dealers in domestic liquors

100.00

(5)

Brewers

2,000.00

(6)

Distillers of spirits

1,500.00

(7)

Rectifiers of distilled spirits

1,500.00

(8)

Repackers of wines and distilled spirits

1,500.00

(9)

Retail dealers in vino liquors

50.00

(10)

Retail dealers in fermented liquors

80.00

(11)

Wholesale dealers in fermented liquors

200.00

(12)

Retail peddlers of distilled, manufactured or fermented liquors

160.00

(13)

Wholesale peddlers of distilled, manufactured or fermented liquors

200.00

(14)

Retail dealers in tuba, basi and/or tapuy

50.00

(e) Tax on tobacco dealers and peddlers:

(1)

Retail leaf tobacco dealers

50.00

(2)

Wholesale leaf tobacco dealers

200.00

(3)

Retail tobacco dealers

50.00

(4)

Wholesale tobacco dealers

200.00

(5)

Retail peddlers of manufactured tobacco

50.00

(6)

Wholesale peddlers of manufactured tobacco

200.00

(f) Tax on amusement devices:

(1)

Each jukebox machine

100.00

(2)

Each machine or apparatus for visual entertainment

50.00

(3)

Each apparatus for weighing persons

30.00

(g) On amusement places wherein the customers thereof actively participate without making bets or wagers, including but not limited to the following:

Amount of Tax
per annum

(1)

Night and day clubs

P

6,000.00

(2)

Night clubs or day clubs

4,000.00

(3)

Cocktail lounges or bars

1,600.00

(4)

Cabarets or dance halls

1,000.00

(5)

Skating rinks

500.00

(6)

Bath houses, swimming pools,
resorts and other similar places

300.00

(7)

Steam baths, saunas and other similar establishments, per cubicle

100.00

(8)

Billiard and pool halls:

For the first table

50.00

For each additional table

20.00

(9)

Bowling alleys:

Automatic, per lane

100.00

Non-automatic, per lane

80.00

(10)

Circuses, carnivals, and the like - P40.00 per day for the first ten days and P5.00 per day thereafter

(11)

Merry-go-rounds, roller-coasters, ferries wheels, swings, shooting galleries, and other similar contrivances — for each contrivance, P 10.00 per day for the first ten days and P2.00 per day thereafter.

(12)

Theaters and cinematographs:

Itinerant operators P10.00 per day

With orchestra only with seating capacity of less than 500 persons

500.00

With balcony and orchestra with seating capacity from 500 to 999 persons

800.00

With balcony and orchestra with seating capacity of 1,000 persons and above

1,000.00

With loge, balcony and orchestra

1,500.00

Plus: Amusement tax of P0.05 per admission payable to the municipal treasurer the next following business day.

An additional tax not exceeding one hundred percent of the rates hereinabove fixed shall be imposed on theaters and cinematographs which are air-conditioned.

(13)

Boxing stadium

300.00

(14)

Boxing contests, P100.00 each night plus an amusement tax of P0.05 per admission ticket payable to the municipal treasurer the next following business day

(15)

Race track for conducting horse races
Per day or fraction thereof - P50.00

2,000.00

(16)

Cockpits:
Per cockfight - Ordinary - P3.00
Per cockfight - Derby - P10.00
Holding of international derby cockfight, per day - P2,000.00
Per cockfight, international derby - P100.00

3,000.00

(h) On pawnshops:

Amount of tax
per annum

With capital of -

Less than P50,000.00

P

1,000.00

P50,000.00 or more but less than P100,000.00

1,500.00

100,000.00 or more but less than 200,000.00

2,000.00

200,000.00 or more

4,000.00

(i) On boarding houses with accommodations for —

Amount of tax
per annum

Less than 10 boarders

P20.00

10 to 19 boarders

30.00

20-39 boarders

40.00

40 or more boarders

50.00

(j) Tax on lodging houses with accommodations for —

Less than 15 lodgers

600.00

15 to 24 lodgers

900.00

25 or more lodgers

1,200.00

(k)

Tax on hotels and motels baaed on gross receipts for the preceding quarter at the following rates:

Gross quarterly receipts

Amount of Tax
per quater

Less than P2,500.00

P

15.00

P

2,500.00

or more but less than

P

5,000.00

23.00

5,000.00

or more but less than

7,500.00

32.00

7,500.00

or more but less than

10,000.00

40.00

10,000.00

or more but less than

12,500.00

48.00

12,500.00

or more but less than

15,000.00

56.00

15,000.00

or more but less than

17,500.00

64.00

17,500.00

or more but less than

20,000.00

72.00

20,000.00

or more but less than

22,500.00

80.00

22,500.00

or more but less than

25,000.00

88.00

25,000.00

or more but less than

30,000.00

107.00

30,000.00

or more but less than

35,000.00

126.00

35,000.00

or more but less than

40,000.00

145.00

40,000.00

or more but less than

45,000.00

164.00

45,000.00

or more but less than

50,000.00

183.00

50,000.00

or more but less than

55,000.00

202.00

55,000.00

or more but less than

60,000.00

221.00

60,000.00

or more but less than

65,000.00

240.00

65,000.00

or more but less than

70,000.00

259.00

70,000.00

or more but less than

75,000.00

278.00

75,000.00

or more but less than

82,500.00

296.00

82,500.00

or more but less than

90,000.00

314.00

90,000.00

or more but less than

97,500.00

332.00

97,500.00

or more but less than

105,000.00

350.00

105,000.00

or more but less than

112,500.00

368.00

112,500.00

or more but less than

120,000.00

386.00

120,000.00

or more but less than

127,500.00

404.00

127,500.00

or more but less than

135,000.00

422.00

135,000.00

or more but less than

142,000.00

440.00

142,500.00

or more but less than

150,000.00

458.00

150,000.00

or more but less than

160,000.00

478.00

160,000.00

or more but less than

170,000.00

498.00

170,000.00

or more but less than

180,000.00

518.00

180,000.00

or more but less than

190,000.00

538.00

190,000.00

or more but less than

200,000.00

558.00

200,000.00

or more but less than

210,000.00

578.00

210,000.00

or more but less than

220,000.00

598.00

220,000.00

or more but less than

230,000.00

618.00

230,000.00

or more but less than

240,000.00

638.00

240,000.00

or more but less than

250,000.00

658.00

250,000.00

or more but less than

275,000.00

700.00

275,000.00

or more but less than

300,000.00

742.00

300,000.00

or more but less than

325,000.00

783.00

325,000.00

or more but less than

350,000.00

827.00

350,000.00

or more but less than

375,000.00

889.00

375,000.00

or more but less than

400,000.00

991.00

400,000.00

or more but less than

425,000.00

953.00

425,000.00

or more but less than

450,000.00

995.00

450,000.00

or more but less than

475,000.00

1,037.00

475,000.00 to

500,000.00

1,079.00

For every P1,000.00 or fraction thereof in excess of

P

500,000.00

1.00

In the case of a newly started business, the tax shall not be less than the minimum of P15.00 prescribed above.

(l)

On private detective or security agency

P

50.00 per annum

(m) On real estate dealers:

(1)

Subdivision operators:

Per square meter

P

0.01 per annum

The computation of the tax on subdivision operators shall be based only on the total area of the remaining lots titled in the name of the subdivision operator.

(2)

Lessors of real estate based on gross receipts for the preceding year, at rates not exceeding the following:

Amount of Tax
per annum

Less than P1,000.00

P

Exempt

P 1,000.00 or more but less than

P 4,000.00

20.00

4,000.00 or more but less than

10,000.00

50.00

10,000.00 or more but less than

20,000.00

150.00

20,000.00 or more but less than

30,000.00

300.00

30,000.00 or more but less than

50,000.00

500.00

For every P1,000.00 in excess of
50,000.00

5.00

In the case of a newly started business of lessors of real estate, the shall not be less than the minimum of P20.00 fixed above.

(n) On golf links

P1,000.00 per annum

(o) On fishponds or fish breeding grounds, per hectare or fraction thereof —

50.00 per annum

(p)

Tax on private cemeteries and memorial parks:

Amount of Tax
per annum

(1)

Less than 2 hectares P

P 500.00

(2)

2 hectares to 5 hectares

750.00

(3)

More than 5 hectares

1,000.00

(q) Taxes on billboards, signboards and advertisements:

(1)

Billboards or Signboards for advertisement of business, per square meter or fraction thereof:

Single face —

10.00

Double face —

20.00

(2)

Billboards or signs for professionals, per square meter or fraction thereof —

8.00

(3)

Billboards, signs or advertisement for business and professions painted on any building or structure or otherwise separated or detached therefrom, per square meter or fraction thereof—

9.00

(4)

Advertisements by means of placards, per square meter or fraction thereof —

9.00

(5)

Advertisements for business or profession by means of elides in movies payable by owners of moviehouses —

100.00

In addition to the taxes provided above under items (1) to (5), inclusive, for the use of electric or neon lights in billboards, per square foot or fraction thereof — 10.00

(6)

Mass display of signs:

Amount of tax per
quarter or fraction thereof

From 100 to 250 display signs —

P 300.00

From 251 to 500 display signs —

450.00

From 501 to 750 display signs —

550.00

From 751 to 1000 display signs—

700.00

1001 or more display signs —

1,500.00

(7) Advertisement by means of vehicles, balloons, kite, etc.:

Per day or fraction —

P 40.00

Per week or fraction —

60.00

Per month or fraction —

80.00

Signs, signboards, billboards and advertisements displayed at the place where the profession or business advertised is conducted shall be exempt from the tax herein provided.

SEC. 20. Fees and charges. — The municipality may collect the following fees and charges, among others, at rates not exceeding those enumerated hereunder:

(a)

Cart and sledge registration fee, per annum

12.00

(b)

Circus or menagerie parades, and other parades using banners, floats or musical instruments, except civic and military parades and religious procession, P50.00 per day

(c)

Registration fees on large cattle:

(1)

Certificate of ownership

1.00

(2)

Certificate of transfer

2.00

(d)

Building permit fee:

(1)

Construction of residential buildings costing:

Not exceeding P3,000.00

10.00

For each succeeding P1,000.00 or
fraction thereof

2.00

(2)

Construction of commercial or industrial buildings costing:

Not exceeding P5,000.00

25.00

For each succeeding P1,000.00 or
fraction thereof

4.00

(3)

Residential building repairs costing:

Less than P500.00

Exempt

P 500.00 but not exceeding P1,000.00

2.00

For each succeeding P500.00 or
fraction thereof

1.00

(4)

Commercial or industrial building repairs costing:
Not exceeding P1,000.00

5.00

For each succeeding P1,000.00 or
fraction thereof

2.00

(5)

Construction and repairs of other structures:

Same rates as those fixed under items (1), (2), (3) or (4) above.

(e) Marriage fees:

(1)

Application fee

10.00

(2)

License fee

2.00

(3)

Solemnization fee

5.00

(f) Registration fees on the civil status of persons —

For the registration of documents and for certified copies of documents on file in the office of the local civil registrar:

(1)

Per registration of legitimation

5.00

(2)

Per registration of an adoption

5.00

(3)

Per registration of an annulment of marriage

15.00

(4)

Per registration of a divorce

15.00

(5)

Per registration of a naturalization

30.00

(6)

Per registration of a change of name

5.00

(7)

Per certified copies of any document in the 1.00 register, for each 100 words

The civil registrar may issue certified copies of documents free of charge for official use at the request of a competent court or other government agency. The issuance of certified copies of birth certificates of children reaching school age when such certificates are required for admission to the primary grades of the public schools shall be considered official and given free of charge.

(m)

(g) Secretary's fees —

For the issuance of copies of official records and documents:

(1)

For every 100 words or fraction thereof, typewritten (not including the certificate and any notation)

1.00

(2)

Where the copy to be furnished is in a printed form, in whole or in part, for each page (double this fee if there are two pages in a sheet)

2.00

(3)

For each certificate of correctness (with seal of office) written on the copy or attached thereto

2.00

(4)

For copies furnished other bureaus, offices and branches of the government for official business (except those copies required by the court at the request of litigants, in which case charges should be made in accordance with the above schedule)

Free

(5)

For certifying the official act of a municipal judge or other certificate (judicial), with seal

2.00

(6)

For certified copies of any paper, record, decree, judgment or entry of which any person is entitled to demand and receive a copy (in connection with judicial proceedings), for each 100 words.

1.00

(7)

Xerox or any other copy produced by copying machine, per page

2.00

(8)

Photo copy, per page

5.00

(h)

Police clearance fee, per certificate issued:

(1)

For employment, scholarships, study grants and other purpose not hereunder specified

2.00

(2)

For firearms permit application

20.00

(3)

For change of name

20.00

(4)

For passport or visa application

30.00

(5)

For application for Filipino citizenship

100.00

(i)

Fees for the impounding and/or sale of astray animals, including cost of feeds:

(1) Large cattle, per day

10.00

(2) All other animals, per day

5.00

(J)

Burial Permit fee

1.00

(k)

Fee for exhumation of cadaver

1.00

(l)

Fee for removal of cadaver

3.00

(m)

Dog license fee, per annum

2.00

(n)

Bicycle permit fee, per annum

5.00

SEC. 21. Fishery rentals or fees. — Municipalities, in the exercise of their authority to grant exclusive fishery rights and license individual fishing gears in municipal waters, may levy or fix rentals or fees therefor in accordance with the provisions of this Section in conjunction with other operative laws and regulations on municipal fisheries.

(a) Municipal water — Municipal waters includes not only streams, lakes and tidal waters included within the municipality, not being the subject of private ownership, and not comprised within national parks, public forest, timber lands, forest reserves, or fishery reserves, but also marine waters included between two lines drawn perpendicularly to the general coast from points where the boundary lines of the municipality or city touch the sea at low tide and a third parallel with the general coastline and distant from it three nautical miles. Where two municipalities are so situated on the opposite shores that there is less than six nautical miles of marine water between them, the third line shall be a line equally distant from the opposite shores of the respective municipalities.

(b) Grant of fishery rights and licensing of fishing vessels. — Pursuant to the authority of the municipality, the municipal council may:

- Grant the exclusive fishery rights to erect fish corrals, operate fishponds or oyster beds, or take or catch bangus fry or kawag-kawag or fry of other species for propagation, by public auction, within definite portion

or area of the municipal waters, for which purpose the council shall divide the municipal waters into fishing zones with fixed areas and boundaries and minimum annual rental for each zone;

- Grant the privilege of taking fish from municipal waters by nets, traps or other fishing gears to persons qualified under the provisions of this Section and other existing laws on municipal fisheries;

- Issue licenses for the operation of fishing vessels of three (3) Lons or less, for which purpose the council is empowered to promulgate, subject to the approval of the Secretary of Agriculture and Natural Resources, rules and regulations regarding the issuance of such licenses to qualified applicants under existing law.

A licensee of any locality shall not fish in the municipal waters of another locality without first securing the necessary license from, and paying the corresponding taxes and fees therefor to the latter municipality.

Deep-sea fishermen duly licensed under Section 18, of Act 4003, as amended, may be allowed to fish in municipal waters if they secure the necessary license therefor from the municipal authorities concerned and pay the corresponding taxes or fees.

(c) Issuance of individual licenses in case no bidders opt to lease fishing zones. — If, after two notices for the grant of exclusive fishery rights thru public auction, no interested bidders opt to lease any fishing zone within the municipal waters, the municipal council is authorized to grant the privilege of erecting fish corrals, operating fishponds or oyster culture beds, or catching bangus fry or kawag-kawag within a definite area or portion of the municipal waters to individuals upon payment of license fees therefor at the rates not exceeding those fixed hereunder:

(1)

Fish corrals:

Annual Fee

Less than 3 meters

30.00

3 meters or more but less than 5 meters

60.00

5 meters or more but less than 8 meters

200.00

8 meters or more but less than 10 meters

360.00

10 meters or more but less than 15 meters

500.00

15 meters or more

800.00

(2)

Operation of fishponds or oyster culture beds:

Per hectare

10.00

(3)

catching bangus fry or kawag-kawag:

Less than 1,000 square meters

500.00

1,000 sq. m. or more but less than 2,000 sq. m.

800.00

2,000 sq. m. or more but less than 4,000 sq. m.

1,500.00

4,000 sq. m. or more but less than 6,000 sq. m.

2,200.00

6,000 sq. m. or more but less than 8,000 sq. m.

3,000.00

8,000 square meters or over

4,000.00

(d) Privilege of residents to take fish in municipal waters. — Any person who is not a grantee of a license or privilege to engage in commercial fishing shall be allowed to fish for domestic use, in any municipal waters, in case no communal fishery therein has been established: Provided, however, That in no case shall fishing be allowed within two hundred meters from a fish corral licensed by the city or municipality: And provided, further, That no fish caught under this privilege shall be sold.

SEC. 22. Specific limitations on power. — Except as otherwise provided in this Code, the Municipality shall not levy the following:

- Taxes, fees, and charges that the province or city is authorized to levy in this Code;
- Taxes on Articles, subject to specific tax under the provisions of the National Internal Revenue Code; and
- Taxes and other impositions enumerated in Section 5, Chapter I of this Code.

Article 3. Cities

SEC 23. Scope of power. — Except as otherwise provided in this Code, the city may levy and collect, among others, any of the taxes, fees and other impositions that the province or the municipality may levy and collect. The exercise of the taxing powers of the city extends to the taxes, fees and other impositions mentioned in Sections 12, 13, 14, 15 and 16 of this Code which the city shall also impose and collect, to the exclusion of the national and municipal governments.

The rates of the taxes, fees, or other impositions that the city shall fix may exceed the maximum rates allowed for the province or municipality by not more than fifty percent, except the rates of the taxes and fees provided in Sections 12, 13 and 14 in Chapter II of this Code which shall be uniform for the province and the city.

In lieu of the graduated fixed tax prescribed under Section 19 of this Code as read in relation with this Section, the city may impose a percentage tax on the sales of non-essential commodities at the rate of not exceeding two

percent and on the sales of essential commodities at the rate of not exceeding one percent. In no case, however, shall the city impose both the graduated fixed tax and the percentage tax on the same subject.

For purposes of this tax, the following shall be considered essential commodities:

- (a) Rice, corn, wheat flour, meat, milk, fish, sugar, salt and other agricultural, marine and freshwater products;
- (b) Laundry soap, medicine and household remedies;
- (c) Locally manufactured ordinary fabrics and canned foodstuffs;
- (d) Commodities covered by the Price Control Law; and
- (e) Such other related and similar products necessary to human life and well-being.

The city may levy any tax, fee or other imposition not specifically enumerated or otherwise provided for in this Code, subject to the provisions of Sections 49 and 50 of this Code.

SEC. 24. Additional taxing powers. — Nothing herein shall be construed as prohibiting the city from levying taxes on articles subject to specific tax under the provisions of the National Internal Revenue Code but in no case shall the rate of the specific tax imposed by the city on such articles exceed twenty-five percent of the rates provided in the National Internal Revenue Code.

SEC. 25. Specific limitation on power. — Except as otherwise provided in this Code, the city shall not levy the taxes and other impositions enumerated in Section 5, Chapter I of this Code.

Article 4. Barrios

SEC. 26. Scope of power. — Except as otherwise authorized, the exercise of the taxing and other revenue-raising powers of the barrio is hereby limited to the taxes, fees, charges, and contributions mentioned in this Article.

SEC 27. License taxes and fees. — A barrio may levy taxes or fees on the following, at rates that shall not exceed twenty-five percent, in the case of a barrio in a municipality, and ten percent, in the case of barrio in the city, of a similar tax or fee already imposed by the city or municipality:

- (a) Stores and signs, signboards and billboards displayed or maintained in any place exposed to public view, except those displayed at the place where the profession or business advertised is conducted; and
- (b) Gamecocks owned by residents of the barrios and on the cockfights conducted therein. Nothing herein shall be construed as to authorize the barrio council to permit cockfights.

SEC. 28. Service charges. — Barrios may collect reasonable charges for services rendered in connection with the regulation of the use of barrio-owned properties or service facilities such as palay, copra or tobacco drier and the like.

SEC. 29. Contributions. — In addition to the above-specified taxing and other revenue-raising powers, the barrio council may solicit monies, material, and other contributions from the following sources:

- (a) Monies, materials and voluntary labor for specific public works and cooperative enterprises of the barrio raised from residents, landholders, producers, and merchants of the barrio;
- (b) Monies from grants-in-aid, subsidies, contributions, and revenue made available to barrios from municipal, provincial or national funds; and
- (c) Monies from private agencies and individuals.

Article 5. Common Revenue-Raising Powers

SEC. 30. Market fees. — Local governments may collect fees or rentals for the occupancy or use of public markets

and premises in accordance with the provisions of this Section.

(a) Subdivision of market building and rates of fees and rentals therefor. — The public market shall be subdivided into sections with each section housing one class or group of allied goods, commodities or merchandise. The local board or council shall fix for each section, reasonable rates of fees or rentals per square meter of space per month and/or day.

In case there are several market buildings, or pavilions, each one of them shall be given a number or other designation for better identification.

(b) Rentals for fixed stalls, booths and tiendas. — Rentals for fixed stalls, booths and tiendas shall be fixed by the month to be paid within the first twenty days of the month. The fixed stalls, booths and tiendas situated in the best locations shall be assigned higher rates per square meter than those less favorably located: Provided, That said higher rates per square meter shall be within the range of such rates determined by the local board or council as provided in Subsection (a) of this Section.

(c) Market fees for the occupancy of market premises. — The market fees for the occupancy of market premises shall be fixed at such reasonable rate per day per square meter of space occupied therein, or a fraction thereof.

(d) Market entrance fee. — In lieu of the regular market fees based on the space occupied, a market entrance fee may be imposed on all transient vendors of any commodity or merchandise being brought into the public market for sale on the basis of weight, bundle, sack, can, cartload, or any other convenient unit of measure. The amount of entrance fee to be imposed shall not exceed the amount of market fee collectible where the fee charged is on the basis of space occupied by the said commodity or merchandise, as provided for in the preceding Subsection.

In case the vendor from whom an entrance fee was collected occupies any table, cubicle or other space with an area in excess of what he paid for, he shall be required to pay the correct amount of fee due thereon less what he may have already paid as entrance fees.

Duly licensed suppliers or distributors of goods, commodities or general merchandise of permanent occupants of market stalls, booths, tiendas, or other space, as well as the same occupants when they bring in goods, commodities or merchandise to replenish or augment their stock, shall not be considered as transient vendors required to pay the market entrance fees herein authorized.

(e) Payment of fees. — Unless otherwise provided herein, the market fee must be paid in advance before any person can sell, or offer to sell, any commodity or merchandise within the public market and its premises.

(f) Adjudication of vacant market stalls to applicants. — The Secretary of Finance shall promulgate rules and regulations governing the adjudication of vacant stalls in the public market to applicants.

(g) Duties and powers of the provincial, city and municipal treasurer. — The treasurer shall exercise direct and immediate supervision, administration and control over public markets and the personnel thereof, including those whose duties concern the maintenance and upkeep of the market and market premises, in accordance with local ordinances and other pertinent rules and regulations. The provincial treasurer shall exercise general supervision over municipal public markets.

(h) Issuance of cash tickets to transient vendors; prohibition on transfer thereof. — Cash tickets shall be issued to the vendor buying the same and his name shall be written on the back thereof. The cash tickets shall pertain only to the person buying the same and shall be good only for the space or spaces of the market premises to which they are assigned while in the hands of the original purchaser. If a vendor disposes of his merchandise by wholesale to another vendor, the latter shall purchase new tickets if he desires to sell the same merchandise even if this is done in the same place occupied by the previous vendor.

(i) Prohibition. — The peddling or sale; outside the public market site or premises of foodstuffs which easily deteriorate, like fish and meat, is hereby prohibited.

(j) Penalties. — Any person occupying or using space in the public market without first paying the fees hereinabove provided, shall be subject to the payment of market fees in an amount equivalent to three times as much as the regular rate for the space so occupied. Any person occupying more space than what is duly leased to him shall pay double the regular rate for such extra space; and any person who fails to pay the monthly rent within the time fixed herein shall pay a penalty of twenty-five percent of the rent due. The lease contract of any person found habitually incurring the foregoing violations shall be cancelled.

SEC. 31. Slaughterhouse fees. — Local governments may collect fees for the slaughter of animals and the use of corrals in accordance with the provisions of this Section.

(a) Permit fee to slaughter. — Before any animal is slaughtered for public consumption, a permit therefore shall be secured from the health officer concerned or his duly authorized representative and the corresponding fee collected at a reasonable rate to be fixed by the local board or council.

(b) Rates of slaughter fees. — Slaughter fees may be fixed per head of animals or per kilo of the meat thereof. In any case, the slaughter fees that may be prescribed shall not exceed the following rates:

For public consumption on the basis of head:

Large cattle, per head

P5.00

Hogs, per head

3.00

Goats, per head

2.00

Sheep, per head

2.00

Others, per head

2.00

For public consumption on the basis of kilo:

Large cattle, per kilo of dressed meat

P0.65

Hogs, per kilo of dressed meat

0.03

Goats, per kilo of dressed meat

0.02

Sheep, per kilo of dressed meat

0.02

Others, per kilo of dressed meat

0.02

For home consumption on the basis of head:

Large cattle, per head

P2.50

Hogs, per head

1.50

Goats, per head

1.00

Sheep, per head

1.00

Others, per head

1.00

For home consumption on the basis of kilo:

Large cattle, per kilo

P 0.025

Hogs, per kilo

0.015

Goats, per kilo

0.01

Sheep, per kilo

0.01

Others, per kilo

0.01

If fees are to be charged per kilo, each slaughterhouse shall be provided with a balance on which all dressed meat, including the liver, heart, tongue, and other parts utilized for consumption shall be weighed. The weighing shall be made under the supervision of the city/municipal treasurer or his duly authorized representative.

(c) Place of slaughter. — The slaughter of any kind of animal for sale to, or consumption of, the public shall be done only in the municipal slaughterhouse. The slaughter of animals intended for home consumption may be done elsewhere except large cattle: Provided, That the animals slaughtered shall not be sold or offered for sale.

(d) Requirements for the issuance of a permit for the slaughter of large cattle. — Upon issuance of the permit required in Subsection (c) of this Section, large cattle shall be slaughtered at the city/municipal slaughterhouse or in any other place as may be authorized in the local ordinance. Before issuing the permit for the slaughter of large cattle, the treasurer shall require for branded cattle the production of the certificate of ownership if the owner is the applicant, or the original certificate of ownership and the certificate of transfer showing title in the name of the person applying for the permit if he is not the original owner. If the applicant is not the original owner and there is no certificate of transfer made in his favor, one such certificate shall be issued and the corresponding fee collected therefor. For unbranded cattle that have not yet reached the required age for branding, the treasurer shall require such evidence as will be satisfactory to him regarding the ownership of the animal for which permit to slaughter has been requested. For unbranded cattle of the required age, the necessary owners' and transfer certificates shall be issued and the corresponding fees collected therefor before the permit is granted.

(e) Corral fee. — Fees at the rates not exceeding those herein fixed, per day, or fraction thereof may be collected for the animals to be slaughtered which are deposited and kept in a corral owned by the local government.

Large cattle, per head

P0.50

Hogs, per head

0.30

Goats, per head

0.20

Sheep, per head

0.20

Others, per head

0.20

SEC. 32. Public utility charge. — Local governments shall have the power to collect charges for services rendered in connection with the operation of public utilities owned, operated and maintained them, a, the rates to be fixed by the loci board or council concerned. The maximum annual net profit that may be derived therefrom shall not be in excess of ten percent of the capital invested in the public utility.

The yearly financial statements covering the utility shall be audited by the provincial or city auditor concerned and should the amount of the net profit of the public utility be found to be in excess of the percentage herein fixed, the charges thereof shall be accordingly adjusted and the excess shall be spent only for the improvement of the public utility.

SEC. 33. Tuition fees. — Local governments may collect tuition fees in the school, they operate subject to the approval of the Secretary of Education and Culture. No charge shall in any case be made for instruction in the elementary grades. Monies collected from tuition fees shall be spent only for educational

SEC. 34. Tolls for roads, bridges, canal, and ferries. — When the local board or council shall deem it necessary for the maintenance of any road or canal within its territory, it may designate that road or canal or part thereof, or any bridge or ferry, built or to be built, or maintained as part thereof, as a toll road bridge, canal or ferry, and may fix tolls therefor at reasonable rates.

In the exercise of the authority above conferred, the local board or council shall deem it necessary for the maintenance of any road or canal within its territory, it may designate that road or canal or part thereof, or any bridge or ferry, built, or maintained as part thereof, as a toll road, bridge, canal or ferry, and may fix tolls thereof at reasonable rates.

In the exercise of the authority above conferred, the local board or council may erect toll gates or equip ferries and may employ persons necessary to operate them. The proceeds derived from these sources shall be applied only to

the payment of interests and sinking fund charges, in case the toll road canal or bridge has been financed from loans or bond issues, and to the repair and maintenance of the road, canal or bridge for which the collections were made.

In the event that such proceeds exceed the amount which the local government shall apply annually to the payment of interests and sinking fund charges on the bonds and to the repair and maintenance of the road, canal or bridge for which the collections were made, the local board or council may subject to the approval of the Secretary of Public Works and Communications and upon such terms and conditions as he may prescribe, borrow from the proceeds not to exceed ninety percent of the excess collections, without interest and for public works only.

Whenever, thirty days after service of a request by the provincial board, any municipality shall decline or neglect to establish and maintain a suitable ferry over any stream or other water situated upon the course of a municipal road, the provincial board may establish and maintain a provincial toll ferry at that place and collect reasonable rates of ferriage for its use. No toll or ferriage authorized herein shall be collected from:

- (a) officers and enlisted men of the United States Armed Forces or other employees of the United States Government in the Philippines;
- (b) officers and enlisted men of the Armed Forces of the Philippines;
- (c) members of the municipal police;
- (d) national, provincial, municipal or barrio officers and employees on official business;
- (e) any person travelling on foot or mounted on an animal, alone or accompanying animals;
- (f) vehicles engaged primarily in the carrying of mail; and
- (g) animal-drawn vehicles.

When the local board or council decides that the collection of tolls in accordance with the provisions hereof may be discontinued without injury to the public welfare, it shall order a discontinuance of the collection of the tolls, and thereafter the road, bridge, canal or ferry in question shall be free for public use.

SEC. 35 Charges for holding benefits. — The local board or council is hereby authorized to hold benefits to raise funds for some specific purpose having in view the general welfare of the local government and its inhabitants without the need of securing a permit from the Department of Social Welfare. The proceeds thereof shall be disbursed for the specific purpose for which the benefit was held and the excess of the proceeds if any, shall accrue to the general fund of the local government concerned.

No such benefit shall be held within one hundred twenty days immediately preceding a national or local elections.

SEC. 36. Permit fee. — The local government may collect a fee sufficient to cover the cost of regulation, inspection and surveillance relative to the issuance of a permit which shall be required of an individual or any juridical entity before the same shall engage in any business or occupation under the provisions of this Code.

SEC. 37. Service charge. — The local government may collect a charge for any service rendered by it in an amount reasonably commensurate to such service.

Article 6. Residence Tax

SEC. 38. The imposition, rates and sharing of the proceeds of the residence tax. — The levy, collection and administration of the residence tax by the National Government through the Bureau of Internal Revenue as well as the rates and accrual of the proceeds thereof shall be in accordance with the provisions of this Article.

- (a) Individual liable to residence tax. — Every inhabitant of the Philippines eighteen years of age or over who has been regularly employed on a wage or salary basis for at least thirty consecutive working days during any calendar year at the rate of not less than one peso 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 one peso and an annual additional tax which in no case shall exceed three thousand pesos in accordance with the following schedule:

(1) For every five thousand pesos worth of real property in the Philippines, owned by such person during the preceding year, based on the valuation used for the payment of the real property tax under existing laws, found in the assessments rolls of the municipality or city where the property is situated, two pesos;

(2) 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

(3) 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 purpose 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.

(b) 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 fifty pesos and an annual additional tax which, in no case, shall exceed six thousand pesos, in accordance with the following schedule:

(1) For every five thousand pesos worth of real property in the Philippines owned by it during the preceding year, based on the valuation used for the payment of the real property tax under existing laws, found in the assessment rolls of the municipality or city where the real property is situated, two pesos; and

(2) 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. However, the dividends received by a corporation from another corporation shall not, for the purpose of the additional tax, be considered as part of the gross receipts or earnings of said corporation.

(c) Exemptions — The following are exempt from the residence tax:

(1) Diplomatic and consular representatives and officers of foreign powers;

(2) Members of the United States Armed Forces;

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

(4) Transient visitors when their stay in the Philippines does not exceed three months.

(d) Place of payment. — The residence taxes due from an individual or a juridical entity shall be paid in the place of residence of the individual or in the place where the principal office of the juridical entity is located.

(e) Time for payment; penalties for delinquency. — Liability for the residence taxes accrues on the first day of January of each year as regards persons then residents of the Philippines and liable to the taxes and if a person so liable fails to pay the taxes on or before the thirty-first day of March he shall be delinquent. As regards those who come to reside in the Philippines on or before the last day of June and those who reach the age of eighteen years or otherwise lose the benefit of exemption on or before that day liability shall attach upon the day of arrival or upon the day the exemption ceases; and if arriving or becoming liable on or before the last day of March, they

shall likewise be delinquent upon fail the taxes on or before the thirtieth day of June, but such persons, arriving or becoming liable after the last day of March, shall have twenty days within which to pay the taxes without becoming delinquent Persons who come to reside in the Philippines or arrive at the age of eighteen 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 date, shall not be subject to the taxes for that year.

As regards corporations which may be established or organized on or before the thirtieth of June, liability for the residence tax for that year shall attach, and if becoming liable on or before the last day of March, shall have twenty days within which to pay the taxes without becoming delinquent; 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 percent from the due date until it is paid.

(f) Residence certificate. — A residence certificate shall be issued to every person or corporation upon payment of the residence tax. A residence certificate shall also be issued to any person or corporation not liable to the payment of the residence tax upon payment of fifty centavos.

(g) Presentation of residence certificate upon certain occasions. — When a person liable to the taxes prescribed in this Section acknowledges any document 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, or 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 officer 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 April fifteen of each year and except also in the case 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.

(h) Collection and disposition of the proceeds. — The Bureau of Internal Revenue shall collect the residence taxes thru the city and municipal treasurers in accordance with prescribed regulations.

The proceeds of the tax shall accrue to the general funds of provinces, cities and municipalities except five percent thereof which shall accrue to the general fund of the National Government to cover the costs of printing and distribution of the forms and other incidental expenses. The provincial or city treasurer concerned shall remit to the National Treasurer the five percent share of the National Government in the proceeds of the tax within ten days after the end of each quarter.

The remaining ninety-five percent collected by municipalities shall be divided equally between the province and the municipality where the tax is collected.

The municipal treasurer shall retain the share of the municipality and remit to the provincial treasurer the share of

the province, as well as the five percent share of the National Government, within five days after the end of each month.

(i) Administrative remedies. — The provisions of this Code in relation to the collection of taxes not inconsistent with the provisions of this Section are extended and made applicable to all the provisions of this Section and to the taxes herein imposed.

(j) Authority of the Secretary of Finance to promulgate rules and regulations. — The Secretary of Finance shall promulgate all rules and regulations for the effective enforcement of the provisions of this Section.

(k) Unlawful use of residence certificates. — Any person who, with intent to defraud the Government deceive the courts, or mislead any treasurer or other person, uses, attempts to use, or is in possession of any residence certificate issued to any other person or corporation shall be punished by a fine of not exceeding two hundred pesos or imprisonment for a term, of not more than six months, or both.

(1) Falsification or counterfeiting of residence certificate. — Any person who makes, sells, or uses any false or counterfeit residence certificate which is an imitation of, or purports to be, a lawful residence certificate; who alters the written or printed figures or letters contained therein; who has in his possession any such fake counterfeit or altered certificate for the purpose of using the same in the payment of revenue or in securing any exemption or privilege conferred by law; or who procures the commission of any such offense by another, shall for each offense be punished by a fine in a sum not less than two hundred pesos nor more than five thousand pesos, or imprisonment for a term of not less than two months nor more than five years, or both.

(m) Violation of this Section or regulation. — Any person who violates any provision of this Section, or any regulation promulgated in accordance therewith, for which delinquency no specific penalty is provided by this Section or any law, shall be punished by a fine of not more than three hundred pesos, imprisonment for not more than six months, or both: Provided, That delinquency in the payment of this residence tax shall be dealt with in accordance with Subsections (e) and (i) hereof.

CHAPTER III.

GENERAL ADMINISTRATIVE PROVISIONS

Article 1. Ordinances

SEC. 39. Ordinance. — A legislative act passed by the local board or council in the exercise of its law-making authority shall be denominated as an ordinance.

SEC. 40. Numbering of ordinances. — Ordinances of the local board or council shall be numbered consecutively throughout the calendar year and continuously from year to year.

SEC. 41. Approval of tax ordinances by local chief executive; veto power. — A tax ordinance passed by the local board or council shall be approved and signed by the local chief executive concerned. If he considers any such ordinance prejudicial to the public welfare, he may veto it by signifying to the proper law-making body his disapproval thereof in writing. The law-making body may, by a two thirds (2/3) vote of all its members, pass the ordinance over the veto, in which case it shall be deemed approved without the chief executive's approval or signature. If said chief executive fails to approve or veto a tax ordinance within ten days after its passage, it shall likewise be deemed approved.

SEC. 42. Effectivity of tax ordinance. — A tax ordinance shall go into effect on the fifteenth day after its approval unless the ordinance shall provide some other date which shall in no case be earlier than ten days after its approval.

SEC. 43. Publication of tax ordinance. — Within ten days after their approval, certified true copies of all provincial,

city, municipal and barrio ordinances levying or imposing taxes, fees or other charges shall be published for three consecutive days in a newspaper or publication widely circulated within the jurisdiction of the local government, or posted in the local legislative hall or premises and in two other conspicuous places within the territorial jurisdiction of the local government. In either case, copies of all provincial, city, municipal and barrio ordinances shall be furnished the treasurers of the respective component and mother units of a local government for dissemination.

SEC. 44. Review and suspension of tax ordinance. — Within fifteen days after its approval, a certified true copy of a tax ordinance shall be furnished: the Secretary of Finance by the provincial board or city council; the provincial treasurer, by the municipal or barrio council; or the city treasurer by the barrio council in the city's jurisdiction. If, within one hundred and twenty days after receipt of a copy thereof, the Secretary of Finance or the provincial or city treasurer, as the case may be, takes no action as authorized in this Section, the tax ordinance shall remain in force.

The Secretary of Finance, the provincial treasurer, or the city treasurer, as the case may be, shall review and have the authority to suspend the effectivity of any tax ordinance within one hundred and twenty days after receipt of a copy thereof, if, in his opinion, the tax or fee therein levied or imposed is unjust, excessive, oppressive, confiscatory, or not among those that the particular local government may impose in the exercise of its power in accordance with this Code; or when the tax ordinance is, in whole or in part, contrary to declared national economic policy; or when the ordinance is discriminatory in nature on the conduct of business or calling or in restraint of trade.

When the Secretary of Finance, the provincial treasurer, or city treasurer, as the case may be, exercises this authority, the effectivity of such ordinance shall be suspended, either in part or, if necessary, in toto. The local legislative body, within thirty days after receipt of the notice of suspension, may either modify the tax ordinance to meet the objections thereto or file an appeal with the proper court, otherwise, the tax ordinance or the parts thereof declared suspended shall be considered as revoked.

An appeal shall not stay the order of suspension nor does it authorize the local legislative body to impose the same tax or fee levied under a suspended ordinance until such time as the grounds for the suspension thereof shall have ceased to exist or the appeal has been resolved in its favor. Any tax or fee paid pursuant to the ordinance involved shall be considered as having been paid under protest.

In case the appeal is resolved in favor of the local government, the tax or fee that would have been collected if there were no order of suspension shall immediately be collected without interest and surcharge. In case the order of suspension is upheld, the court shall forthwith order the refund of the tax or fee paid under protest to the taxpayer.

SEC. 45. Formal protest against a tax ordinance, — A formal protest based on grounds provided in the preceding Section may be filed with the Secretary of Finance within one hundred and twenty days after the approval of the tax ordinance of any local government, or after the date of the initial implementation thereof, and the Secretary shall have sixty days, after receipt of the protest, to decide the same.

If the Secretary suspends in part or in full the protested tax ordinance, the local legislative body, within thirty days after receipt of the notice of suspension, may either modify the ordinance in accordance with the decision of the Secretary or exercise the right to appeal to the proper court. The appeal, however, shall not stay the order of suspension nor authorize the local legislative body to re-impose the same tax.

Any tax or fee paid pursuant to a protested ordinance or any part thereof shall be considered as having been paid

under protest until final resolution of the issues raised. In case an appeal is resolved in favor of the local government, the tax or fee that would have been collected if there were no order of suspension shall immediately be collected together with any interest or surcharge due thereon. In case the order of suspension is upheld, the court shall forthwith order the refund of the tax or fee, or such portion thereof in excess of the maximum authorized, paid pursuant to said protested ordinance, irrespective of whether payment had been made before or after the protest was filed.

SEC. 46. Ordinances considered revoked. — When the thirty-day period within which the local government may file an appeal as provided in the two preceding Sections has lapsed without an appeal being perfected, or when the local board or council has not removed the objections to the suspended ordinance, said ordinance is deemed revoked, and the Secretary shall order the refund to the taxpayer of the tax or fee, or such portion in excess of that authorized, paid pursuant to said suspended ordinance.

The Secretary of Finance shall promulgate the rules and regulations implementing the provisions of these Sections governing the review and suspension of tax ordinances.

SEC. 47. Question on the legality of a tax ordinance. — Any question or issue raised against the legality of any tax ordinance, or portion thereof, on grounds other than those mentioned in Section 44 of this Code, shall be referred for opinion to the provincial fiscal, in the case of provincial, municipal and barrio tax ordinances, or to the city fiscal, in the case of tax ordinances of the city and barrios within the city, whose opinion shall be rendered within a period of thirty days after receipt by him of the query or protest. The opinion of the provincial or city fiscal, as the case may be, shall be appealable to the Secretary of Justice who shall render an opinion on the matter within sixty days after receipt of the appeal. The decision of the Secretary of Justice shall be final and executory unless, within thirty days upon receipt thereof, the aggrieved party contests the same in a court of competent jurisdiction.

SEC. 48. Attempt to enforce void or suspended tax ordinance. — Any attempt to enforce a tax ordinance after due notice of the disapproval or suspension thereof by the proper authority to the officers or employees trying to enforce the same shall be sufficient ground for the latter's dismissal from the service.

SEC. 49. Similar tax or fee not specifically enumerated. — The local board or council may exercise the power to impose a tax or fee on a tax base or subject similar to those authorized in this Code but which may not have been specifically enumerated herein, the rate of which shall in no case exceed that fixed for the similar tax base or subject.

Tax or fee not provided for. — Where the tax base or tax subject is not similar or comparable to any tax base or subject specifically mentioned or otherwise provided for in this Code, the province, city or municipality may impose a tax, fee or other imposition thereon which shall not be unjust, excessive, oppressive or confiscatory, or contrary to declared national economic policy. Such a tax, fee or other imposition shall only be collectible, without interests or other surcharges on the initial payment, after review and approval of the ordinance imposing the same by the Secretary of Finance.

SEC. 51. Administrative or regulatory measures. — An ordinance may provide administrative or regulatory measures necessary in the conduct of a business or industry, or the practice of a profession or occupation, or to protect public interest, and the local government may impose a regulatory fee commensurate to the service rendered in the implementation thereof.

No board or council, however, may enact any administrative or regulatory measure that will in any manner be discriminatory or in restraint of trade.

SEC. 52. Penal provisions of tax ordinance. — Except as otherwise specifically provided in this Code, the local

board or council is authorized to prescribe fines or penalties for violations of an ordinance but in no case shall such fines or penalties exceed one thousand pesos, or imprisonment for six months, or both at the discretion of the court.

Article 2. Collection of Taxes

SEC. 53. Fixing of the tax and manner of payment. — Except as otherwise provided in this Code, all shall be fixed by the year, although the same may be paid in quarterly installments.

SEC. 54. Accrual of the tax. — All local tax

SEC. 55. Time for the payment. — Unless otherwise specifically provided in this Code, all taxes due and accruing to the local governments shall be paid within the first twenty days of January or of each subsequent quarter, as the case may be. The local board or council may for a justifiable reason or cause, like floods, fire, typhoons and other natural calamities, extend for an additional period of not exceeding thirty days the time for payment of a license tax without penalty.

SEC. 56. Surcharges and interest on unpaid tax, fee, or charge. — Except as otherwise specifically provided in this Code, failure to pay the tax, fee, or charge within the time required shall subject the taxpayer to a surcharge not exceeding twenty-five percent of the amount of the tax, fee, or charge due plus an interest upon the unpaid amount at the rate of fourteen percent per annum from the due date until the tax, fee, or charge is fully paid, except tuition fees which shall not be subject to any surcharge or interest.

Where an extension of time for the payment of the tax has been granted and the amount is not paid in full prior to the expiration of the extension, the interest of fourteen percent per annum shall be collected on the unpaid amount from the date it becomes originally due until fully paid.

SEC. 57. Interest on other unpaid revenues. — Where the amount of any other revenue due the local government, except voluntary contributions or donations, is not paid on the date fixed in the ordinance in the contract, expressed or implied, or upon the happening of the event which gave rise to its collection, there shall be collected as part of that amount, an interest thereon at the rate of one-half percent a month from the due date until it is paid.

SEC. 58. Collection of local revenue by treasurer. - All the taxes, fees and charge, due to local governments shall be collected by the provincial city municipal, or barrio treasurer, or their duly authorized deputies.

SEC. 59. Examination of books of accounts and pertinent, records of businessmen by provincial or city treasurer. —For the purpose of effective enforcement and collection of the taxes fees and charges provided in this Code, the provincial or city treasurer may, by himself or thru any of his deputies duly authorized in writing, examine the books, accounts and other pertinent records of any person, partnership, corporation or association doing business within his jurisdiction to verify, assess and collect the true correct amount of the tax due from the taxpayer concerned. Such examination shall be made during regular business hours, not oftener than once every quarter for each business establishment. Any examination conducted pursuant to the provisions of this Section shall be certified to by the examining official and such certificate shall be made of record in the books of accounts of the taxpayer concerned.

In a case where the examination herein authorized is made by a duly authorized deputy of the provincial or city treasurer, the written authority of the former shall specifically state the name, address and business of the taxpayer whose books, accounts and pertinent records are to be examined, the date and place of such examination, and the procedure to be followed in conducting the same.

Article 3. Civil Remedies for Collection of Revenues

SEC 60. Application of Article. — The provisions of this Article and the remedies provided herein may be used, as far as their nature permits, for the collection of any delinquent local tax or other revenue

SEC. 61. Local government's lien. — Local taxes and other revenue due a local government constitute a lien in its favor, enforceable by proper legal action, superior to all liens or charges in favor of private parties not only upon any property which may be subject to the charge but also upon property used in the exercise for the occupation, business, or privilege in respect to which the charge is imposed and upon all property rights therein.

SEC. 62. Civil Remedies. — The civil remedies available to enforce payment of delinquent taxes shall be distraint of personal property, and by legal action. Either of these remedies or both simultaneously may be pursued at the discretion of the proper authority.

The payment of other revenues accruing to local governments shall be enforced by legal action.

SEC. 63. Distraint of personal property. — The remedy by distraint shall proceed as follows:

(a) Seizure. — Upon failure of the person owing any local tax to pay the same at the time required the treasurer or his deputy may, upon written notice, seize or confiscate any personal property belonging to that person or any personal property subject to the tax lien, in sufficient quantity to satisfy the tax in question, together with any increment thereto incident to delinquency and the expenses of seizure. In this case, the treasurer or his deputy shall issue a duly authenticated certificate based upon the records of his office showing the fact of delinquency and the amount of the tax and penalty due. This shall serve as sufficient warrant for the distraint of personal property aforementioned, subject to the taxpayer's right to claim exemption under the provisions of Section 31 of Commonwealth Act No. 470 (the Assessment Law), as amended. Distrainted personal property shall be sold at public auction in the manner herein provided for.

(b) Accounting of distrainted goods. — The officer executing the distraint shall make or cause to be made an account of the goods or effects distrainted, a copy of which signed by himself shall be left either with the owner or person from whose possession the goods or effects were taken or at the dwelling or place of business of that person and with someone of suitable age and discretion, to which list shall be added a statement of the sum demanded and a note of the time and place of sale.

(c) Publication. — The officer shall forthwith cause a notification to be exhibited in not less than two public places in the territory of the local government where the distraint is made, specifying the time and place of sale and the articles distrainted. The time of sale shall not be less than twenty days after notice to the owner or possessor of the property as above specified and the publication or posting of (lie notice. One place for the posting of the notice shall be at the office of the chief executive of the local government in which the property is distrainted.

(d) Release of distrainted property upon payment prior to sale. — If at any time prior to the consummation of the sale all proper charges are paid to the officer conducting the sale, the goods or effects distrainted shall be restored to the owner.

(e) Procedure of sale. — At the time and place fixed in the notice the officer shall sell the goods or effects so distrainted at public auction to [he highest bidder for cash. Within five days after the sale, the treasurer shall make report of the proceedings in writing to the chief executive of the local government concerned.

Should the property distrainted be not disposed of within one hundred and twenty days from the date of distraint, the same shall be considered as sold to the local government for the amount of the assessment made thereon by the Committee on Appraisal and to the extent of the same amount, the tax delinquencies shall be cancelled.

Said Committee on Appraisal for which the Secretary of Finance shall promulgate rules of procedure, is hereby created and shall be composed of the provincial treasurer as chairman with the provincial auditor and provincial

engineer as members, in the case of provinces and municipalities, and the city treasurer as chairman with the city auditor and the city engineer as members in the case of cities.

(f) Disposition of proceeds. — The proceeds of the sale shall be applied to satisfy the tax, together with the increments thereto incident to delinquency, and the expenses of the distraint and sale. Any residue over and above what is required to pay the entire claim shall be returned to the owner of the property sold. The expenses chargeable upon the seizure and sale shall embrace only the actual expense of seizure and preservation of the property pending the sale, and no charge shall be imposed for the services of the local officer or his deputy. Where the proceeds of the sale are insufficient to satisfy the claim, other property may in like manner, be distrained until the full amount due, including all expenses, is collected.

CHAPTER IV. FINAL PROVISIONS

SEC. 64. Transitory provisions. — In cases where the existing rates of a tax, fee or other charge fixed by local ordinance of any city, municipality or barrio are in excess of the maximum rates provided for in this Code, or where the existing tax, fee, or other charge is no longer within the authority of the local government to impose or collect in accordance with the provisions of this Code, the local board or council concerned shall, within such time as the Secretary of Finance may determine, taking into account the financial stability of the local government concerned, but not exceeding one year, adjust such existing rates or rescind such tax, fee or other charge, as the case may be, thru an amendatory or other necessary ordinance to conform to the provisions of this Code; otherwise, such rates or such tax, fee or other charge shall be deemed automatically adjusted or rescinded by operation of law.

In the foregoing cases, as well as in cases where an existing ordinance imposes a tax, fee, or other charge not specifically mentioned in this Code or where an ordinance provides for an administrative or regulatory measure which is discriminatory in nature on the conduct of business or calling or affects the free flow of commerce as contemplated in Section 51 of this Code, the local board or council concerned shall submit a copy of the ordinance embodying the tax, fee, charge, or administrative or regulatory measure to the Secretary of Finance for review and other disposition in accordance with Section 44 of this Code within (6) months from the date of effectivity of this Code.

Any or all such taxes, fees, charges, or administrative or regulatory measures embodied in ordinances not submitted to the Secretary of Finance for review as herein required shall be deemed ipso facto nullified after six months from the date of effectivity of this Code.

SEC. 65. Administrative authority of the Secretary of Finance. — The Secretary of Finance shall determine, at least once every two years from the date of effectivity hereof, the necessity of the maximum rates of the taxes, fees and/or other charges fixed in this Code and make appropriate recommendations thereon to the proper authority in order that said maximum rate may be maintained in conformity with the economic condition generally prevailing in the country.

He shall also promulgate, from time to time, such rules and regulation effective implementation of the provisions of this Code.

SEC. 66. Separability clause. — If, for any reason to be unconstitutional or invalid, no other section or provision hereof shall be affected thereby.

SEC. 67. Repealing clause. — All laws, acts, decrees, executive orders, proclamations and/or administrative regulations, or part or parts thereof which are inconsistent herewith are hereby repealed and/or modified accordingly.

SOURCES OF DEFINITIONS OF TERMS USED IN THIS CODE

Terms Defined Sources of Definitions

(a) Agricultural products — Molina vs. Rafferly, 37 and 38 Phil.; American Rubber Co. vs. Comm. 39 SCRA 163; Sec. 188(b), NIRC

(b) Amusement — Sec. 2, BIR Revenue Regulations No. 5-57, May 30, 1957

(c) Amusement places — Taken from Sec. 260, NIRC with modifications by CLT

(d)

Brewer —

Sec. 194(a) NIRC (National Internal Revenue Code)

(e)

Business —

Encyclopedia Britannica

(f)

Calling —

Formulated by CLT

(g)

Capital —

Model Ordinance prepared by the Department of Finance in 1965

(h)

Capital investment —

Model Ordinance prepared by the Department of Finance in 1965

(i)

Charges —

Encyclopedia Britannica

(j)

Confiscatory

Encyclopedia Britannica

(k)

Corporation —

NIRC

(l)

Dealer —

BIR Ruling No. 198, s. 1959

(m)

Excessive —

Encyclopedia Britannica

(n)

Fee—

Encyclopedia Britannica

(o)

Gross Receipts —

Taken from the case of Isabela Sugar C., Inc. vs. Yatco, et al. 67 Phil. 500 with an additional definition formulated by the CLT

(p)

Hotel —

Manila Ordinance No. 6626, s. 1968

(q)

Levy —

Encyclopedia Britannica

(r)

License —

Encyclopedia Britannica

(s)

Local government —

Adapted Sec. 1, Article XI, New
Constitution

(t)

Lodging house —

Manila Ordinance No. 6626, s. 1968

(u)

Manufacturer —

Sec. 194(x) NIRC

(v)

Market premises —

Model Ordinance, *supra*

(w)

Motel—

Manila Ordinance No. 6626, s. 1968

(x)

Motor Vehicle

Adapted from R.A. 4136, Section 3(a)

(y)

Occupation —

29 Words and Phrases 160; Encyclopedia Britanica

(z)

Operator —

Model Ordinance, *supra*

(a-1)

Oppressive —

Encyclopedia Britannica

(b-1)

Peddler —

Sec. 194(f) NIRC

(c-1)

Person —

2 Sanchez Roman 110

(d-1)

Privilege —

Encyclopedia Britannica

(e-1)

Profession —

BIR Form - 1701

(f-1)

Public market —

Model Ordinance, *supra*

(g-1)

Rental —

Adapted from Art. 1643, New Civil Code of the Phil.

(h-1)

Residents —

Taken from Arts. 51 and 52 of New Civil Code of the Phil.

(i-1)

Retail —

Sy Keong vs. Sarmiento, G.R. L-2934, Nov. 29, 1951

(j-1)

Revenue —

Encyclopedia Britannica

(k-1)

Services —

Encyclopedia Britannica

(l-1)

Stall —

Model Ordinances, *supra*

(m-1)

Tax —

Paras, Fundamental of taxation, p.1

(n-1)

Unjust —

Encyclopedia Britannica

(o-1)

Vessel —

Customs and Tariff Code

(p-1)

Wharfage —

Taken from the Customs and Tariff Code

(q-1)

Wholesale —

Sy Keong vs. Sarmiento, G.R. L-2934, Nov. 29, 1951

In order to facilitate the implementation of this Presidential Decree No. 231, the Department of Finance issued Provincial Circular No. 22-73, dated September 7, 1973, containing instructions for the information, guidance and compliance by local officials.

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