

AN ACT AMENDING OR REPEALING CERTAIN SECTIONS OF TITLES V AND VIII OF THE NATIONAL INTERNAL REVENUE CODE.

REPUBLIC ACT NO. 39, October 01, 1946

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

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

"SEC. 191. Percentage tax on road, building, irrigation, artesian well, waterworks, and other construction work contractors, proprietors or operators of dockyards, and others.—Road, building, irrigation, artesian well, waterworks, and other construction work contractors; filling contractors; persons engaged in the installation of gas, or electric light, heat, or power; persons selling light, heat, or power, except those paying a franchise tax; proprietors or operators of dockyards, mine drilling apparatus, smelting plants, engraving plants, plating establishments, dry cleaning or dyeing establishments, steam laundries, photographic studies, telephone or telegraph lines or exchanges, broadcasting or wireless stations, funeral parlors, shops for the construction or repair of bicycles or vehicles of any kind, mechanical devices, instruments, apparatus, or furniture of any kind, and tailor shops, beauty parlors; dressmakers; milliners; hatters; keepers of hotels, lodging houses; stevedores; warehousemen; plumbers; smiths; house or sign painters; lithographers; publishers, except those engaged in the publication or printing and publication of any newspaper, magazines, review, or bulletin which appears at regular intervals, with fixed prices for subscription and sale, and which is not devoted principally to the publication of advertisements; printers; and bookbinders, shall pay a tax equivalent to two per centum of their gross receipts.

"Keepers or restaurants, refreshment parlors and other eating places shall pay a tax of three per centum and keepers of bars and cafes where wines of liquors are served, five per centum, of their gross receipts. Where such establishments are maintained within the premises or compound of a race-track or jai-alai, or are accessible to patrons of such race-track or jai-alai by means of a connecting door or passage, the keepers of such establishments shall pay a tax of twenty per centum of their gross receipts. Where the establishments is maintained within the premises of a cabaret or night-club, or are accessible to patrons thereof by means of a connecting door or passage, the keeper of the establishment shall pay a tax of ten per centum of the gross receipts.

"Contractors or others whose gross receipts do not exceed two hundred pesos each quarter shall be exempt from the payment of the taxes provided for in this section. Owners or operators of business covered by franchises shall likewise be exempt from the tax imposed in the first paragraph of this section."

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

"SEC. 192. Percentage tax on carriers and keepers of garages.—Keepers of garages, transportation contractors, persons who transport passengers or freight for hire, and common carriers by land, air, or water, except owners of bancas, and owners of animal drawn two-wheeled vehicles, shall pay a tax equivalent to two per centum of their gross receipts: Provided, That those whose gross receipts do not exceed two hundred pesos each quarter shall be exempt from the payment of the tax provided for in this section.

SEC. 3. The heading of Chapter I, Title VIII, and section two hundred and forty-nine of Commonwealth Act Numbered Four hundred and sixty-six are hereby amended to read as follows:

"Chapter I.—Tax on Banks

"SEC. 249. Tax on banks.—There shall be collected a tax of five per centum on the gross receipts derived by all banks doing business in the Philippines from interests, discounts, dividends, commissions, profits from exchange, royalties, rentals or property, real and personal, and all other items treated as gross income under section twenty-nine of this code.

There shall be collected upon the amount of reserve deficiencies incurred by the bank, and for the period of their duration, as provided in section one hundred and twenty-six of Act Numbered One thousand four hundred and fifty-nine, as amended by Act Numbered Three thousand six hundred and ten, one per centum per month.

"Bank,' as herein used, includes every incorporated or other bank, and every person, association, or company having a place of business where credits are opened by the deposit or collection of money or currency subject to be paid or remitted upon draft, check, or order, or where money is advanced or loaned on stocks, bonds, bullion, bills of exchange, or promissory notes, are received for discount or for sale."

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

"SEC. 250. Times for payment of tax—Increase of tax in case of delinquency.—The tax imposed in the next preceding section shall be payable at the end of each calendar quarter and it shall be the duty of every bank, within twenty days after the end of each calendar quarter, to make a true and complete return of the amount of gross income derive during the preceding calendar quarter and pay the tax due thereon and if any such tax is not paid within the time prescribed herein, the amount of the tax shall be increased by twenty-five per centum, the increment to be a parts of the tax."

SEC. 5. Sections two hundred and fifty-one to two hundred and fifty-four of Commonwealth Act Numbered Four hundred and sixty-six are hereby repealed.

SEC. 6. Section two hundred and fifty-five of Common-wealth Act Numbered Four hundred and sixty-six, as amended by section one of Commonwealth Act Numbered Five hundred and twenty-three, is hereby amended to read as follows:

"SEC. 255. Taxes on insurance premiums.—There shall be collected from every person, company, or corporation (except purely cooperative companies or associations) doing insurance business of any sort in the Philippines a tax of one per centum of the total premiums collected during the first five years of his or its organization or establishment, irrespective of the place thereof; two per centum, during the next succeeding five years; and three per centum, thereafter, whether such premiums are paid in money, notes, credits, or any substitute for money but premiums refunded within six months after payment on account of rejection of risk or returned for other reason to person insured shall not be included in the taxable receipts; nor shall any tax be paid upon reinsurance by a company that has already paid the tax; nor upon premiums collected or received by any branch of a domestic corporation, firm or association doing business outside the Philippines on ac-count of any life insurance of the insured who is a non resident, if any percentage tax on such premiums is im-posed by the foreign country where the branch is established. " 'Cooperative companies or associations' are such as are conducted by the members thereof with money collected from among themselves and solely for their own protection and not for profit."

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

"SEC. 259. Tax on corporate franchises.—There shall be collected in respect to all existing and future

franchises, upon the gross earnings or receipts from the business covered by the law granting the franchise a tax of five per centum or such taxes, charges, and percentages as are specified in the special charters of the corporations upon whom such franchises are conferred, whichever is higher, unless the provisions thereof preclude the imposition of a higher tax. For the purpose of facilitating the assessment of this tax, reports shall be made by the respective holders of the franchises in such form and at such times as shall be required by the regulations of the Department of Finance.

"The taxes, charges, and percentages on corporate franchises shall be due and payable as specified in the particular franchise, or, in case no time limit is specified therein, the provisions of section one hundred eighty-three shall apply; and if such taxes, charges, and percentages remain unpaid for fifteen days from and after the date on which they must be paid, twenty-five per centum shall be added to the amount of such taxes, charges, and, percentages, which increase shall form part of the tax."

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

"SEC. 260. Amusement taxes—There shall be collected from the proprietor, lessee, or operator of theaters, cinematographs, concert halls, circuses, boxing exhibitions, and other places of amusement the following taxes:

"(a) When the amount paid for admission exceeds twenty centavos but does not exceed twenty-nine centavos, four centavos on each admission;

"(b) When the amount paid for admission exceed twenty-nine centavos but does not exceed thirty-nine centavos, six centavos on each admission;

"(c) When the amount paid for admission exceeds thirty-nine centavos but does not exceed forty-nine centavos, eight centavos on each admission;

"(d) When the amount paid for admission exceeds forty-nine centavos but does not exceed fifty-nine centavos, ten centavos on each admission;

"(e) When the amount paid for admission exceeds fifty-nine centavos but does' not exceed sixty-nine centavos, twelve centavos on each admission;

"(f) When the amount paid for admission exceeds sixty-nine centavos but does not exceed seventy-nine centavos, fourteen centavos on each admission;

"(g) When the amount paid for admission exceeds seventy-nine centavos but does not exceed eighty-nine centavos, sixteen centavos on each admission;

"(h) When the amount paid for admission exceeds eighty-nine centavos but does not exceed ninety-nine centavos, eighteen centavos on each admission; and

"(i) When the amount paid for admission exceeds ninety-nine centavos, the tax will be thirty per centum.

"In the case of theaters or cinematographs, the taxes herein prescribed shall first be deducted and withheld by the proprietors, lessees, or operators of such theaters or cinematographs and paid to the Collector of Internal Revenue before the gross receipts are divided between the proprietors, lessees, or operators of the theaters or cinematographs and the distributors of the cinematographic films. "In the case of cockpits, and cabarets, and night-clubs, there shall be collected from the proprietor, lessee or operator a tax equivalent to ten per centum, and in the case of race-tracks and Jai-alai, twenty per centum of the gross receipts, irrespective of whether or not any amount is charged or paid for admission: Provided, however, That In the case of race-tracks, this tax is in addition to the privilege tax prescribed in section one hundred and ninety-three. For the purpose of amusement tax, the term 'gross receipts' embraces all the receipts of the proprietor, lessee, or operator of the amusement place. The taxes imposed herein shall be payable at the end of each month and it shall be the duty of the proprietor, lessee, or operator concerned, within ten days after the end of each month, to make a true and complete return of the amount of gross receipts derived during the preceding month and pay the tax due thereon. "In case of willful neglect to file the return within the period prescribed herein, or, in, case a false or fraudulent return is willfully made, there shall be added to the tax or to the deficiency tax, in case any payment

has been made on the basis of such return before the discovery of the falsity or fraud, a surcharge of fifty per centum of its amount. The amount so added to any tax shall be collected at the same time and in the same manner and as part of the tax unless the tax has been paid before the discovery of the falsity or fraud, in which case the amount so added shall be collected in the same manner as the tax."

SEC. 9. This Act shall take effect on October first, nineteen hundred and forty-six.

Approved, October 1, 1946.

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