

AN ACT TO AMEND SECTION ONE HUNDRED NINETY OF COMMONWEALTH ACT NUMBERED FOUR HUNDRED SIXTY-SIX, AS AMENDED, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE.

REPUBLIC ACT NO. 4103, June 19, 1964

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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 of Commonwealth Act Numbered Four hundred and sixty-six, as amended, is further amended to read as follows:

"SEC. 190. Compensating tax.—On the commodities, goods, wares or merchandise purchased or received 1 persons residing or doing business in the Philippines, there shall be paid a compensating tax on the total value thereof including freight, postage, insurance, commission and similar charges, equivalent to the percentage taxes imposed under this Title on original transactions effected by merchants, importers, or manufacturers, such tax to be paid before the withdrawal or removal of said commodities goods, wares or merchandise from the customhouse or the post office, except as follows:

"(a) Articles subject to specific taxes under Title IV of this Code and articles to be used by the importer himself in the manufacture or preparation of articles subject to specific taxes;

"(b) Commodities, goods, wares or merchandise purchased or received by merchants, importers and manufacturers who are subject to tax under Sections one hundred eighty-four, one hundred eighty-five, one hundred eighty-six or one hundred eighty-nine of this Title, where such importations are to be sold, resold, bartered or exchanged or are to be used in the manufacture or preparation of articles for sale, barter, or exchange and are to form part thereof;

"(c) Articles to be used by the importer himself in the manufacture or preparation of articles for consignment abroad;

"(d) Articles to be used by the importer himself as passenger and/or cargo vessel whether coastwise ocean-going, including engines and spare parts of said vessel;

"(e) Wearing apparel and articles for personal use purchased in foreign countries by residents of the Philippines which have been used abroad and accompanying them upon their return to the Philippines the export value of which does not exceed the amount of:

"P250 when the sojourn is not less than one week;

"P500 when the sojourn is not less than two weeks;

"P1,000 when the sojourn is not less than one month

"Personal and household effects purchased in foreign countries and brought into the Philippines by returning residents which effects have been used abroad, neither imported for the account of any other person nor intended for barter, sale or hire and accompanying them upon their return to the Philippines or arriving within ninety days before or after their return, the export value of which does not exceed the amount of:

"P1,500 when the sojourn is not less than three months;

"P2,500 when the sojourn is not less than six months; or

"P3,000 when the sojourn is not less than one year.

"Additional exemption shall be granted for books, professional instruments and implements belonging to Filipino professionals, students and grantees of fellowships and scholarships returning to the Philippines from training, studies and/or employment abroad, the export value of which does not exceed the amount of one thousand pesos: Provided, That an additional exemption shall be granted to returning Filipino Doctors of Medicine and Dentistry and other scientists for professional instruments and implements related to their particular field of specialization as attested to by the respective institutions of training, studies and/or employment, the export value of which does not exceed three thousand pesos: Provided, further, That returning Filipino professionals, students and grantees of fellowships and scholarships, shall present to the Commissioner of Internal Revenue a certificate issued by the schools they have attended: Provided, finally, That such returning residents shall not have previously received the benefits herein granted within one hundred and eighty days immediately preceding their arrival.

"(f) Professional instruments and implements, tools of trade, occupation or employment, wearing apparel, domestic animals, and personal and household effects belonging to persons coming to settle for the first time in Philippines, including citizens of the Philippines who have resided abroad for not less than ten years, for their use and not for barter, sale or exchange, accompanying such persons, or arriving within ninety days before or after the arrival of their owners, upon the production of evidence satisfactory to the Commissioner of Internal Revenue that such persons are actually coming to settle in the Philippines, that the articles were brought from their former place of abode, that change of residence is bona fide: Provided, That no merchandise of any kind, machinery or other articles for use in manufacture, shall be classified under this subsection.

"(g) Articles used by officials and employees of the Philippine Government assigned abroad and brought on their return to the Philippines by reason of transfer, resignation, or retirement, upon specific instructions of the Secretary of Finance and upon the request of the returning official or employee concerned: Provided, That the total acquisition cost of such articles does not exceed twenty per centum of the total basic salary received from the Philippine Government during such tour of duty, of not more than four years as certified by the Department concerned.

"If any article withdrawn from the customhouse or the post office without the payment of the compensating tax is subsequently used by the importer for other purposes, corresponding entry should be made in the books of accounts, if any are kept, or a written notice thereof sent to the Commissioner of Internal Revenue and payment of the corresponding compensating tax made within ten days from the date of such entry or notice. If the tax is not paid within such period, the amount of the tax shall be increased by twenty-five per centum, the increment to form part of the tax.

"In the case of tax free articles brought or imported into the Philippines by persons, entities or agencies, exempt from tax which are subsequently sold, transferred or changed in the Philippines to non-exempt private person or entities, the purchasers or recipients shall be considered the importers thereof. The tax due on each articles shall constitute a lien on the article itself superior to all other charges or liens, irrespective of the possessor thereof.

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

Approved, June 19, 1964.

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