

AN ACT AMENDING CERTAIN SECTIONS OF COMMONWEALTH ACT NUMBERED FOUR HUNDRED SIXTY-SIX, AS AMENDED, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE.

REPUBLIC ACT NO. 4713, June 18, 1966

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/ffa35614c0c1/>

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

SECTION 1. Section one hundred seventy-four of Commonwealth Act Numbered Four hundred sixty-six, otherwise known as the National Internal Revenue Code, is hereby further amended to read as follows:

"SEC. 174. Unlawful possession or removal of articles subject to specific tax without payment of tax.—Any person who owns and/or is found in possession of imported articles subject to specific tax, the tax on which had not been paid in accordance with law or any person who owns and/or is found in possession of imported tax exempt articles other than those to whom they are legally issued shall be punished by:

"1. A fine of not less than fifty pesos nor more than two hundred pesos and imprisonment of not less than five days nor more than thirty days, if the appraised value, to be determined in the manner prescribed in the Tariff and Customs Code, including duties and taxes, of the article does not exceed five hundred pesos.

"2. A fine of not less than six hundred pesos nor more than thousand pesos and imprisonment of not less than six months and one day nor more than four years, if the appraised value, to be determined in the manner in the Tariff and Customs Code, including duties and taxes, of the article exceeds five hundred pesos but does not exceed fifty thousand pesos.

"3. A fine of not less than five thousand pesos nor more than eight thousand pesos and imprisonment of not less than four years and one day nor more than eight years if the appraised value to be determined in the manner prescribed in the Tariff and Customs Code, including duties and taxes, of the article is more than fifty thousand pesos but does not exceed one hundred fifty thousand pesos.

"4. A fine of not less than eight thousand pesos nor more than ten thousand pesos and imprisonment of not less than eight years and one day nor more than twelve years, if the appraised value, to be determined in the manner prescribed in the Tariff and Customs Code, including duties and taxes, of the article exceeds one hundred fifty thousand pesos.

"In applying the above scale of penalties, if the offender is an alien, he shall be deported after serving the sentence without further proceedings for deportation. If the offender is a government official or employee, the penalty shall be the maximum as hereinabove prescribed and, the offender shall suffer an additional penalty of perpetual disqualification for public office, to vote and to participate in any election.

"Any person who is found in possession of locally manufactured articles subject to specific tax, the tax on which has not been paid in accordance with law, or any person who is found in possession of such articles which are exempt from specific tax other than those to whom the same is lawfully issued shall be punished with a fine of not less than ten times the amount of the specific tax due on the articles found but not less than two hundred pesos nor more than five thousand pesos and imprisonment from four months and one day to four years and months. Any manufacturer, owner, or person in charge of any article subject to a specific tax who

removed allows or procures the unlawful removal of any such article from the place of manufacture or bonded warehouse, upon which article the specific tax has not been paid in the time and manner required, and any person who knowingly aids or abets in the removal of such articles as aforesaid, or conceals the same after illegal removal shall for the first offense be punished with a fine of not less than ten times the amount of the specific tax due on the articles, but not less than five hundred pesos nor more than ten thousand pesos and imprisonment of not less than six months and one day but not more than six years.

"Every manufacturer so offending shall, before continuing or resuming business, execute a bond in double the amount of his original bond and containing the same conditions.

"The mere unexplained possession of articles subject to specific tax, the tax on which has not been paid in accordance with law, shall be punished under this section: Provided, however, That payment of the tax due after apprehension shall not constitute a valid defense in any prosecution for violation of this section.

"Any ordinance that provides a different penalty for acts punishable under this section is hereby repealed."

SEC. 2. Section one hundred seventy-five of the same Code, as amended, is hereby further amended to read as follows:

"SEC. 175. Punishment for subsequent offenses.—In case of reincidence, the penalty to be imposed for unlawful possession of imported articles shall be the maximum of the penalty prescribed under the first paragraph of Section one hundred seventy-four for the offense constituting the reincidence, and the penalty to be imposed for unlawful possession of locally manufactured articles shall be a fine of not less than ten times the amount of the specific tax due on articles possessed but not less than two hundred pesos nor more than five thousand pesos and by imprisonment for not less than six months and one day but not more than five years and two months. The penalty for unlawful removal shall be a fine ten times the amount of the specific tax due on the articles removed but not less than one thousand pesos and imprisonment for not less than eight years but not more than twelve years. If the offense be committed by the owner or the manufacturer, or with his connivance, the factory and the ground upon which it stands, including the machinery and apparatus used in and about the business, shall be forfeited."

SEC. 3. With respect to the application of the penalties the degree of participation of the offender, whether as principal, accomplice or accessory, and the appreciation of mitigating, aggravating, or alternative circumstances, the provisions of the Revised Penal Code shall govern.

SEC. 4. Section three hundred forty-five of the same Code is hereby amended to read as follows:

"SEC. 345. Statutory offenses of officials and employees.—Every official, agent or employee of the Bureau of Internal Revenue or of any other agency of the government charged with the enforcement of the provisions of this Code, who is guilty of any delinquency hereinbelow specified or who falls within any of the classes hereinbelow indicated shall be punished with a fine of not less than five thousand pesos nor more than fifty thousand pesos and imprisonment for not less than one year nor more than ten years:

"a. Those guilty of extortion or willful oppression under color of law.

"b. Those who knowingly demand other or greater sums than are authorized by law or receive any fees, compensate or reward, except as by law prescribed, for the performance of any duty.

"c. Those who willfully neglect to give receipts, as law required, for any sums collected in the performance of duty, or who willfully neglect to perform any of duties enjoined by law.

"d. Those who conspire or collude with another or others to defraud the revenues or otherwise violate the law.

"e. Those who willfully make opportunity for any person to defraud the revenues, or who do or omit to do any act with intent to enable any other person to defraud the revenues.

"f. Those who negligently or designedly permit the violation of the law by any other person.

"g. Those who make or sign any false entry or entries in any book, or make or sign any false certificate or return in any case where the law requires the making by them of such entry, certificate or return.

"h. Those who, having knowledge or information of a violation of this Code or any fraud committed on the revenues collectible by the Bureau of Internal Revenue, fail to report such knowledge or information to their superior officer or to report as otherwise required by law.

"i. Those who, without the authority of law, demand or accept or attempt to collect directly or indirectly as payment or otherwise, any sum of money or other thing of value for the compromise, adjustment, or settlement of any charge or complaint for any violation or alleged violation of law."

SEC. 5. Section three hundred forty-six of the same Code is hereby amended to read as follows:

"SEC. 346. Reward to persons instrumental in the discovery and seizure of smuggled goods.—To encourage the public and law-enforcement personnel to extend full cooperation and do their utmost in stamping out smuggling, a cash reward equivalent to twenty per centum of the fair Market value of the smuggled and confiscated goods shall given to the officers, and men and informers who are instrumental in the discovery and seizure of such goods in accordance with the rules and regulations to be issued by the Secretary of Finance.

"The provisions of this section, and not those of Republic Act Numbered Twenty-three hundred and thirty-eight, shall govern the giving of reward in cases covered by the former."

SEC. 6. This Act shall take effect upon its approval.

Approved, June 18, 1966.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.