

SINFOROSO PASCUAL, PLAINTIFF AND APPELLANT, VS. WM. T. NOLTING, AS COLLECTOR OF INTERNAL REVENUE FOR THE PHILIPPINE ISLANDS, DEFENDANT AND APPELLEE.

G.R. No. 9252. January 11, 1916

Ponente: JOHNSON, J.

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JOHNSON, J.:

The question presented by this appeal is whether or not the appellant is a manufacturer of salt and therefore subject to pay a tax in accordance with the provisions of section 139 of Act No. 1189.

It is admitted that the appellant produces salt, i. e., that he permits the salt water to run upon his land, allows the water to evaporate, and then collects the residue, the salt, and sells it. Does that operation make him a manufacturer of salt?

Section 141 of Act No. 1189 defines who is a manufacturer for the purposes of that law, and we are governed by that definition. If the plaintiff falls within that definition, then he is a manufacturer and must pay the tax imposed by said section 138, in relation with section 139, unless he comes within the exception mentioned in section 142 of the same law. Section 141 defines a manufacturer as follows:

"Every person who by physical or chemical process alters the exterior texture or form or inner substance of any raw material or manufactured or partially manufactured product in such a manner as to prepare it for a special use or uses to which it could not have been put in its original condition, or who by any such process alters the quality of any such raw material or manufactured or partially manufactured product so as to reduce it to marketable shape or prepare it for any of the uses of industry, or who by any such process combines any such raw material or manufactured or partially manufactured products with other materials or products of the same or of different kinds and in such manner that the finished product of such process of manufacture can be put to a special use or uses to which such raw material or manufactured or partially manufactured products in their original condition could not have been put, and who in addition alters such raw material or manufactured or partially manufactured products, or combines the same to produce such finished products for the purpose of their sale or distribution to others and not for his own use or consumption, shall be considered as a manufacturer within the meaning of this article"

A more comprehensive and inclusive definition could scarcely be given, of the acts which would make a person a manufacturer.

There is no question about the facts. The plaintiff admits that he commences with water; that the product which he gets is salt, and that he sells it; that he produces the finished article for the purpose of selling it to others, and not for his own use or consumption. The plaintiff, by a physical process, alters the substance of the raw material in such a manner as to prepare it for a special use, or uses, to which it could not have been put in its original condition. By the admission of the plaintiff, it is clear that he alters the quality of the raw material and reduces it to a marketable shape.

We think the admissions of the plaintiff clearly bring him within the provisions of section 141 and that he is a manufacturer of salt. That being true, he is subject to pay the tax provided for in section 138 in relation with section 139 of Act No. 1189. That being true, the judgment of the lower court must be affirmed, with costs.

It is, therefore, hereby ordered and decreed that the judgment of the lower court sustaining the demurrer presented by the defendant is hereby affirmed, and it is further ordered and decreed that the record be returned to the court whence it came, with direction that the plaintiff be given permission to amend his complaint, if he so desires, within a period of five days from notice hereof, and in the absence of such amendment that a judgment be entered dismissing his complaint. So ordered, with costs.

Arellano, C. J., Torres, Carson, Trent, and Araullo, JJ., concur.

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