

[PRESIDENTIAL DECREE NO. 1299, February 08, 1978]

AMENDING SECTION 206 (CATERER'S TAX) AND SECTION 268 (AMUSEMENT TAXES) OF THE NATIONAL INTERNAL REVENUE CODE OF 1977.

WHEREAS, the tax on keepers of restaurants and other eating places, formerly levied under the second paragraph of Section 191 of the National Internal Revenue Code of 1939, as amended, was re-enacted with some amendments and made into a separate section numbered 191-A and denominated as caterer's tax by virtue of R.A. 6110;

WHEREAS, under the amendments introduced by R.A. 6110, clubs of *any* kind and nature (irrespective of the disposition of their net income and whether or not they cater exclusively to members of their guests) are required to pay a tax of three per centum of their gross receipts from the sale of food or refreshment and seven per centum of their gross receipts from the sale of distilled spirits, fermented liquors or wines, in common with proprietors or operators of restaurants, refreshment parlors and other eating places catering to and open to the general public;

WHEREAS, the said caterer's tax was carried over to the National Internal Revenue Code of 1977 and is now found in Sec. 206 thereof;

WHEREAS, the 20% tax imposed by said Sec. 206 on proprietors or operators of restaurants, refreshment, parlors, bars and cafes and other eating places maintained inside the premises of a cockpit under day or night club and the 20% amusement tax imposed under Sec. 268 of the same Code on the same establishments have been found to be prohibitively high and adversely affect the development of the tourist industry in our country;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution, do hereby order and decree:

SECTION 1. Section 206 of the National Internal Revenue Code of 1977 is hereby amended to read as follows:

"SEC. 206. *Caterers.*— A caterer's tax is hereby imposed as follows:

1. On proprietors or operators of restaurants, refreshment parlors and other eating places, including clubs and caterers, three per cent of their gross receipts;
2. On proprietors or operators of restaurants, bars, cafes and other eating places, including clubs, where distilled spirits, fermented liquors or wines are served, three per cent of their gross receipts from the sale food or refreshments and seven per cent of their gross receipts from sale of distilled spirits, fermented liquors or wines. Two sets of commercial invoices or receipts serially numbered in duplicate shall be separately prepared and issued, one for each sale of food or refreshment served and another for each sale of distilled spirits, fermented liquors or wines served, the originals of the invoices or receipts to be issued to the purchaser or customer;