

[**PRESIDENTIAL DECREE NO. 1359, April 21, 1978**
]

AMENDING SECTION 134 OF THE NATIONAL INTERNAL REVENUE CODE OF 1977.

WHEREAS, under the present law oil products sold to international carriers are subject to the specific tax;

WHEREAS, some countries allow the sale of petroleum products to Philippine Carriers without payment of taxes thereon;

WHEREAS, to foster goodwill and better relationship with foreign countries, there is a need to grant similar tax exemption in favor of foreign international carriers;

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

SECTION 1. Section 134 of National Internal Revenue Code of 1977 is hereby amended to read as follows:

"SEC. 134. *Articles subject to specific tax.*—Specific internal revenue taxes apply to things manufactured or produced in the Philippines for domestic sale or consumption and to things imported, but not to anything produced or manufactured here which shall be removed for exportation and is actually exported without returning to the Philippines, whether so exported in its original state or as an ingredient or part of any manufactured article or product.

"HOWEVER, PETROLEUM PRODUCTS SOLD TO AN INTERNATIONAL CARRIER FOR ITS USE OR CONSUMPTION OUTSIDE OF THE PHILIPPINES SHALL NOT BE SUBJECT TO SPECIFIC TAX, *PROVIDED*, THAT THE COUNTRY OF SAID CARRIER EXEMPTS FROM TAX PETROLEUM PRODUCTS SOLD TO PHILIPPINE CARRIERS.

"In case of importations the internal-revenue tax shall be in addition to the customs duties, if any."

SEC. 2. This Decree shall take effect immediately.

DONE in the City of Manila, this 21st day of April, in the year of Our Lord, nineteen hundred and seventy-eight.

**(Sgd.) FERDINAND E.
MARCOS**
President of the Philippines

By the President:

(Sgd.) JACOBO C. CLAVE
Presidential Executive