

[PRESIDENTIAL DECREE NO. 1383, May 25, 1978]

AMENDING SECTIONS THREE, PARAGRAPH (m); SIX; TWENTY; EIGHTY-EIGHT; NINETY AND ONE HUNDRED FOUR OF PRESIDENTIAL DECREE NUMBERED FOUR HUNDRED SIXTY FOUR, AS AMENDED, OTHERWISE KNOWN AS THE REAL PROPERTY TAX CODE.

WHEREAS, in the implementation of the Real Property Tax Code enacted under P.D. 464, as amended, certain common problems and difficulties are encountered in the proper classification, appraisal, and assessment of real property, particularly building, other improvements, and machinery;

WHEREAS, in order to enhance the establishment of an updated and more responsive system of valuation for taxation purposes, it has become necessary to provide more realistic levels of assessment for the various types of real property;

WHEREAS, there is a continuous need to upgrade and professionalize the local government assessment service to promote higher standards of performance efficiency;

WHEREAS, in order to meet the requirements of prevailing conditions, it is imperative to amend the pertinent provisions of the Real Property Tax Code.

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

SECTION 1. Section 3, paragraph (m), of Presidential Decree No. 464 is hereby amended to read as follows:

"x x x

"(m) Machinery - shall embrace machines, equipment, mechanical contrivances, instruments, appliances and apparatus attached to the real estate. It shall include the physical facilities available for production, as well as the installations and appurtenant service facilities, together with all those not permanently attached to the real estate but are actually, directly and essentially used to meet the needs of the particular industry, business, or works, which by their very nature and purpose are designed for, or essential to manufacturing, commercial, mining, industrial or agricultural purposes."

SEC. 2. There is hereby inserted after Section 6 of Presidential Decree No. 464 a new section to be designated as Section 6-A, which shall read as follows:

"SEC. 6-A. It shall also be the duty of any person or his authorized representative acquiring at any time real property in any municipality or city or making any improvement on real property, to prepare, or cause to be prepared, and file with the provincial, city, or municipal assessor, a sworn statement declaring the true value of subject property, within sixty

(60) days after the acquisition of such property, or upon completion or occupancy of the improvement, whichever dated comes earlier."

SEC. 3. To provide a reasonable basis for the assessment of real property for taxation purposes, Section 20, paragraph (c) of Presidential Decree No. 464 is hereby amended to read as follows:

"SEC. 20. *Assessment Level.* The assessment levels to be applied to the current market values of real property for taxation purposes, shall be as follows:

- a. On Lands. - x x x
- b. On Mineral Lands. - x x x
- c. On Buildings, Machineries and Other Improvements. - The assessment levels shall be as follows:

- 1. For buildings and other improvements:

Assessment Levels			
<u>MARKET VALUE</u>	<u>Presidential</u>	<u>Commercial/Industrial</u>	<u>Agricultural</u>
P30,000 or less	15%	50%	40%
More than P30,000 but not exceeding P50,000	20%	55%	45%
More than P50,000 but not exceeding P75,000	25%	60%	50%
More than P75,000 but not exceeding P125,000	35%	65%	55%
More than P125,000 but not exceeding P175,000	45%	70%	60%
More than P175,000 but not	55%	75%	65%

exceeding
P250,000
More than
P250,000
but not

exceeding
P350,000
More than
P350,000
but not

exceeding
P500,000
More than
P500,000

65%

80%

70%

75%

80%

75%

80%

80%

80%

2. For machineries:

<u>ACTUAL USE</u>	<u>ASSESSMENT LEVEL</u>
Agricultural	60%
Residential	70%
Commercial	80%
Industrial	80%

d. Special Class. - x x x."

SEC. 4. Section 40, paragraph (e), of Presidential Decree No. 464, is hereby amended to read as follows:

"(a) x x x

(b) x x x

(c) x x x

(d) x x x

(e) Land acquired by grant, purchase or lease from the public domain for conversion into dairy farms for a period of five years from the time of such conversion; and machinery of a pioneer and preferred industry as certified by the Board of Investments used or operated for industrial, agricultural, manufacturing or mining purposes, during the first three years of the operation of the machinery."

SEC. 5. The third and fifth paragraphs of Section 88 of Presidential Decree No. 464 are hereby amended to read as follows:

"SEC. 88. *Provincial and City Assessor, his Assistant and Deputy and their appointments.*

x x x.