

[PRESIDENTIAL DECREE NO. 1446, June 11, 1978]

PROVIDING FOR THE IMPOSITION OF AN ADDITIONAL TAX ON IDLE LANDS AND AMENDING FOR THE PURPOSE THE PERTINENT PROVISIONS OF PRESIDENTIAL DECREE NUMBERED FOUR HUNDRED AND SIXTY-FOUR, OTHERWISE KNOWN AS THE REAL PROPERTY TAX CODE

WHEREAS, it is the declared policy of the State to promote the maximum and efficient utilization of land in order to support the vital government programs of rural development, low-cost housing, infrastructure and others similarly designed for the primary benefit and upliftment of the poor and the underprivileged;

WHEREAS, large tracts of productive agricultural and urban lands of private ownership throughout the country remain idle and undeveloped due to non-cultivation and non-utilization by the owners thereof;

WHEREAS, the apparent and continued accumulation of private lands for speculation and other non-productive purposes serves as a deterrent to the execution of country-wide socio-economic programs;

WHEREAS, to attain the New Society's objectives, specifically those pertaining to rural development and urban growth, it is imperative to induce the proper utilization of idle lands and amend for this purpose existing provisions of law.

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

SECTION 1. Section 42 of Presidential Decree No. 464 is hereby amended to read as follows:

"SECTION 42. *Additional ad valorem tax on idle lands.*

- a. There is hereby imposed an additional property tax on idle lands at the rate of FIVE PER CENT PER ANNUM based on the assessed value of the Provincial or City Assessor of the Province or City where the property is located or by the Municipal Assessor in the case of idle lands situated in the municipalities of Metropolitan Manila.
- b. The additional ad valorem tax levied in the preceding paragraph shall begin to accrue on July 1, 1978, any provision of law to the contrary notwithstanding."

SEC. 2. Section 43 of Presidential Decree No. 464 is hereby amended to read as follows:

"SECTION 43. *Idle lands, coverage.*—For purposes of this Decree, idle lands shall include the following:

- a. Agricultural lands suitable for cultivation, dairying, inland fishery, and other agricultural uses, one half of which remain uncultivated or unimproved by the owner or owners thereof.

- b. Lands, other than agricultural, located in a City or Municipality, more than 2,000 square meters in area one half of which remain unutilized or unimproved by the owner or owners thereof. This Section shall likewise apply to residential lots in subdivisions duly approved by proper authorities, the ownership of which has been transferred to individual owners, who shall be liable for the additional tax. Individual lots of such subdivisions, the ownership of which has not been transferred to the buyer shall be considered as forming part of the subdivision, and shall be subject to the additional tax payable by subdivision operator.

SEC. 3. Section 44 of Presidential Decree No. 464 is hereby amended to read as follows:

"SECTION 44. *Idle lands exempt from tax.*—The additional levy on idle lands shall not apply to landowners who are unable to improve, utilize or cultivate their lands due to any of the following causes:

- a. Adverse peace and order conditions as certified by the Provincial Commander of the Philippine Constabulary. However, if within one year upon restoration of the peace and order in the locality as certified by the said Provincial Commander, the said land remains unimproved, unutilized, uncultivated, the additional tax provided under Section forty two hereof shall be imposed.
- b. Financial losses of the owner due to fire, flood, typhoon, earthquake and other causes of similar nature declared by the owner in a sworn statement to be submitted to the Provincial, City or Municipal Assessor stating the ground or grounds therefore, which shall be accompanied by a certification from the proper agency of the local government concerned. If the idle land is not improved to the extent prescribed in the next preceding Section within two years from the date of the occurrence of the loss, the tax provided under Section forty-two hereof shall be imposed subject to rules and regulations issued in connection herewith.
- c. Existing court litigations involving the land subject to tax mentioned in this chapter as certified by the Court under which the case is pending unless said land is not improved within one year after the final adjudication of the case to the extent provided in the next preceding Section, in which case, the tax provided under Section forty-two hereof shall be imposed.
- d. Necessity to leave the land in a fallow state as certified by the Provincial, City or Municipal Agriculturist, or in their absence, by the Secretary of Agriculture or his duly authorized representatives, stating among others, the length of time within which the land shall be considered ready for production. If the idle land is not improved within one year after the termination of such period of time, the tax provided under Section forty-two hereof shall be imposed.
- e. Unfavorable physical factors such as rocky nature of ground, and uneven topography in the case of agricultural land, which render the land unsuitable for cultivation as certified by the Provincial, City or Municipal Agriculturist, or in their absence, by the Secretary of Agriculture or his duly authorized representatives.