

[PRESIDENTIAL DECREE NO. 1183, August 21, 1977]

AMMENDING AND CONSOLIDATING THE PROVISIONS ON TRAVEL TAX REPUBLIC ACT NO. 1478 AS AMEMDED AND REPUBLIC aCT NO. 6141, PRESCRIBING THE MANNER OF COLLECTION THEREOF, PROVIDING PENALTIES FOR VIOLATIONS THEREOF, AND FOR OTHER PURPOSES.

WHEREAS, it is the policy of Government to lessen the restriction on foreign travel;

WHEREAS, in order to provide adequate funds for the Government programs, simplify the collection of the tax, and minimize tax avoidance, there is need to impose a Travel Tax in lieu of the taxes now being imposed under Republic Act No. 1478, as amended and Republic Act No. 6141;

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

SECTION 1. There is hereby imposed, in lieu of the travel taxes levied under Section three of Republic Act No. 1478, as amended, and Section six of Republic Act No. 6141, a Travel Tax from all citizens of the Philippines, permanent resident aliens and non-immigrant aliens who have stayed in the Philippines for a period of not less than one year. The tax shall be based on the fares on the trip from the Philippines and the trip returning or going to the Philippines as well as the fares paid in a foreign country in continuation of the trip from the Philippines and the trip returning or going to the Philippines. The Secretary of Finance within sixty (60) days from the approval hereof, shall prepare the Schedule of Travel Tax for the approval of the President. The Schedule of Travel Tax may be amended from time to time by the Secretary of Finance which amendment shall take effect upon approval by the President. The Travel Tax under the Schedule shall not exceed the equivalent of fifteen per cent (15%) of the fare involved but in no case shall the tax be less than two thousand pesos for those traveling under first class passage; one thousand two hundred and fifty pesos for those traveling under economy class passage and seven hundred and fifty pesos for all others; *Provided, however*, That subject to the provisions of Sec. 2 (i) and (k) hereof, individuals who are twelve years old or below shall pay only fifty per cent of the tax imposed herein.

SEC. 2. The following shall be exempt from the payment of the travel tax imposed under section one of this Decree:

- a) Officials and employees of the Philippine Government or any of its departments, bureaus and instrumentalities traveling on official business;
- b) Persons whose fares are paid out of Philippine Government funds;
- c) Foreign diplomatic and consular officials and members of their staff who are duly accredited to the Republic of the Philippines including the immediate member of their families and household domestics whose entry as such has been authorized by the Philippine Government;

d) Officials consultants, experts, and employees of the United Nations Organization and of its agencies, and those exempted under existing laws, treaties and international agreements;

e) Personnel of multi-national companies with regional headquarters at, but not engaged in business in, the Philippines;

f) Officials and employees of private companies traveling on official business, duly certified as such by the company under which he is employed and whose fare is paid out of the funds of the company, if such company had already paid the amount of four thousand pesos or more as travel tax for the previous travels of said official or employee during the calendar year;

g) Crew members of ships and airplanes plying international routes who are leaving the country to join their vessels or airplanes or to assume their position therein and those being repatriated upon termination of their employment;

h) Filipino citizens who are permanent residents of foreign countries who have stayed in the Philippines for a period of less than one year and whose fares are either paid in the Philippines in any of the acceptable foreign currencies or payable outside the Philippines;

i) Bona-fide students whose studies abroad have been approved by the NEDA Scholarship Committee;

j) Non-professional contract workers whose employment contracts have been duly approved by the Department of Labor; their spouses and dependents 21 years of age or below; and

k) Infants who are two years old or less.

SEC. 3. Persons traveling on non-revenue tickets shall, unless otherwise exempted herein, pay the travel tax provided for under section one hereof based on the classification of their non-revenue tickets, except airline and shipping personnel traveling on official company business; *Provided, however,* That for the purpose of exemption discounted tickets and tickets with service fees shall not be considered non-revenue tickets.

SEC. 4. The Travel Tax shall:

a) In the case of departing passengers be collected by the carrier and/or travel agency issuing the ticket, which entity shall remit its collections to Bureau of the Treasury within the first ten (10) days of every succeeding month;

b) In the case of arriving passengers be paid by the passenger himself within thirty (30) days from the date of arrival, based on fares paid in a foreign country.

SEC. 5. Persons traveling must be able to establish their capacity to pay the overall costs of the travel when applying for a Tax Clearance.