

[**PRESIDENTIAL DECREE NO. 853, December 19, 1975**]

PROVIDING FOR THE CLASSIFICATION AND VALUATION OF TIMBER AND FOREST LANDS FOR PURPOSES OF REAL PROPERTY TAXATION.

WHEREAS, under Presidential Decree No. 464 otherwise known as the Real Property Tax Code, timber and forest lands were embraced in the definition of the term "agricultural land" for purposes of real property taxation;

WHEREAS, it will be more systematic and conducive to just and uniform property valuation if timber and forest lands are appraised and assessed as a separate class of real property;

WHEREAS, the Philippine wood industry is presently affected by a worldwide recession and lack of markets abroad;

WHEREAS, it has become imperative to adopt remedial measures that will ease the realty tax burden of the wood industry by employing new and definitive methods of appraisal and assessment of timber and forest lands; and granting a descending rate of discount on the real property tax due thereon;

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

SECTION 1. Classification.—All timber and forest lands shall be segregated from the class agricultural land and be classified as timber and forest lands for purposes of real property taxation.

SEC. 2. Declaration and listing in the assessment rolls.— All timber and forest lands owned by the Republic of the Philippines or any of its political subdivision, the beneficial use of which has been granted to a taxable person, shall be declared for taxation purposes and listed in the assessment rolls in the name of the concessionaire or licensee.

All timber and forest lands that are privately owned shall be declared and listed in the name of the private owner.

SEC. 3. Assessment level.—the assessment level for all timber and forest lands shall be 40% of their market value as determined by the Provincial/City Assessor in accordance with such methods, procedures or regulations that the Secretary of Finance may prescribe for the purpose.

SEC. 4. Taxable Area.—(a) For a given tax year, the taxable area of timber and forest lands belonging to the Republic of the Philippines the beneficial use of which has been granted to a taxable person shall be the *operational area* within the concession as determined and authorized for the tax year by the Bureau of Forest Development in accordance with the provisions of Presidential Decree No. 705, otherwise known as the Revised Forestry Code of the Philippines, and/or its implementing rules and regulations.