

[**PRESIDENTIAL DECREE NO. 539, August 14, 1974**]

PROVIDING FOR A NEW VALUATION OF REAL PROPERTY TO SERVE AS BASIS FOR THE DETERMINATION OF INTERNAL REVENUE TAXES AND AMENDING FOR THE PURPOSE SECTION 91 OF THE NATIONAL INTERNAL REVENUE CODE AS AMENDED BY REPUBLIC ACT NO. 6110 AND FURTHER AMENDED BY PRESIDENTIAL DECREE NO. 69.

WHEREAS, it has become necessary to provide a simplified and uniform valuation of real property for purposes of determining internal revenue taxes;

WHEREAS, under Section 91 of the National Internal Revenue Code, the Real Property Valuation Committee in the Department of Finance is called upon to prepare and submit to the Secretary of Finance a schedule of percentage adjustment of the assessed value of real property in each municipality and city after due notice and hearing for the purpose of determining the amount of transfer taxes due thereon; and

WHEREAS, in view of the provisions of Commonwealth Act No. 470, as amended by Presidential Decree No. 76 and further amended by Presidential Decree No. 261, a general revision of real property assessments has been undertaken throughout the country;

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

SEC. 1. Section 91 of the National Internal Revenue Code is hereby amended to read as follows:

SEC. 91. *Determination of value of usufructs, annuities, and other property.* — To determine the value of the right of usufruct, use of habitation, as well as that of annuity, there shall be taken into account the probable life of the beneficiary in accordance with the American Tropical Experience Table calculated at eight *per centum* annual interest.

"The estate shall be appraised at its fair market value as of the time of death, or as six months thereafter, at the election of the executor or administrator, using for the purpose the current and fair market value as reflected in the schedules of values prepared by provincial and city assessors pursuant to Commonwealth Act No. 470, as amended by Presidential Decrees Nos. 76, and 261, and unless the contrary is shown by the taxpayers, the schedule shall be binding upon all concerned for purposes of computing any internal revenue tax based on the value of the property."

SEC. 2. The Real Property Valuation Committee created in the Department of Finance under Section 91 of the National Internal Revenue Code as amended is hereby abolished.