

[ **PRESIDENTIAL DECREE NO. 323, October 26, 1973** ]

**AMENDING SECTION 21 AND SECTION 51 OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED.**

**WHEREAS**, it is the policy of the government to be responsive to legitimate claims of its citizenry;

**WHEREAS**, the government is aware of the heavy tax burden of non-resident Filipinos who have established their resident abroad;

**WHEREAS**, consistent with reforms under the New Society for a better tax administration, it is envisioned that overseas Filipinos can better meet their obligations of citizenship through voluntary compliance with reasonable, just and fair tax laws;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Philippines, by virtue of the powers in me vested by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines, and pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, as amended, do hereby order and decree that - -

1. Section 21 of the National Internal Revenue Code, as amended, is further amended, to read as follows:

"Section 21.- x x x x x x provided, further that on the income of non-resident citizens from all sources without the Philippines, there is hereby imposed a tax on the gross amount of such income after deducting therefrom the following:

(a) An allowance for personal exemption in the amount of two thousand dollars (U.S. \$2,000.00), if the person making the return is a single person or a married person legally separated from his or her spouse; or four thousand dollars (U.S. \$4,000.00), if the person making the return is a married man or a head of the family, as defined in section 23 of this Code; and

(b) The total amount of the national income tax actually paid to the government of the foreign country of his residence.

The Philippine income tax on the adjusted gross income shall be computed in accordance with the following schedule:

If the amount subject to tax is:

Not over \$6,000.00	1%
.....	
Over \$6,000.00 but not over \$20,000.00	2%
.....	
Over \$20,000.00	3%
.....	