

[REPUBLIC ACT NO. 5963, June 21, 1969]

AN ACT AMENDING SECTION TWO OF REPUBLIC ACT NUMBERED FOURTEEN HUNDRED AND SEVEN, KNOWN AS "THE PHILIPPINE OVERSEAS SHIPPING ACT OF NINETEEN HUNDRED AND FIFTY-FIVE", AS AMENDED BY SECTION ONE OF REPUBLIC ACT NUMBERED FORTY-ONE HUNDRED AND FORTY-SIX.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section two of Republic Act Numbered Fourteen hundred and seven, as amended by Section one of Republic Act Numbered Forty one hundred and forty-six, is further amended to read as follows:

"SEC. 2. In pursuance of the above-declared policy any citizen of the Philippines, or any association or corporation organized under the laws of the Philippines, at least sixty per cent of the capital of which is owned by citizens of the Philippines, engaged or which shall engage exclusively in the overseas shipping business or in the construction of modern boats for overseas service shall be exempt from the payment of income tax on income derived from his or its overseas shipping business for a period of twenty years from the date of approval of this Act or until September nine, nineteen hundred and seventy-five: *Provided*, That they shall invest the entire net income realized during the period of exemption which would have otherwise been taxable under the provisions of Title II of the National Internal Revenue Code in the construction, purchase, or acquisitions of vessels and equipment and/or in the improvement of its vessels and equipment. The amount so invested shall not be withdrawn for a period of twenty years after the expiration of the period of income tax exemption. Any amount withdrawn before the end of this period shall be subject to the corresponding income tax, including surcharges and interests.

"Any taxpayer wishing to take advantage of the tax-exemption in the preceding paragraph shall file annually a regular income tax return with the Bureau of Internal Revenue, together with such information and supporting documents as the Bureau may require, indicating the net income exempt under this Act."