

[REPUBLIC ACT NO. 1612, August 24, 1956]

**AN ACT TO AMEND CERTAIN SECTIONS OF TITLE V OF
COMMONWEALTH ACT NUMBERED FOUR HUNDRED SIXTY-SIX,
OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE
CODE, AS AMENDED, AND FOR OTHER PURPOSES.**

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

SECTION 1. Section one hundred seventy-eight of Commonwealth Act Numbered Four hundred sixty-six, as amended, is hereby further amended to read as follows:

"SEC. 178. *Payment of privilege taxes.*—A privilege tax must be paid before any business or occupation hereinafter specified can be lawfully begun or pursued. The tax on business is payable for every separate or distinct establishment or place where business subject to the tax is conducted; and one line of business or occupation does not become exempt by being conducted with some other business or occupation for which such tax has been paid.

"The tax on a business must be paid by the person, firm, or company conducting the same; the occupation tax, by each individual engaged in a calling subject thereto."

SEC. 2. Section one hundred eighty of Commonwealth Act Numbered Four hundred sixty-six, as amended, is hereby further amended to read as follows:

"SEC. 180. *Time for payment of fixed taxes.*—All fixed taxes shall be due and payable on or before the twentieth of January of each year. But any person first beginning a business or occupation must pay the tax before engaging therein."

SEC. 3. Section one hundred eighty-one of Commonwealth Act Numbered Four hundred sixty-six, as amended, is hereby repealed.

SEC. 4. Section one hundred eighty-two of Commonwealth Act Numbered Four hundred sixty-six, as amended, is hereby further amended to read as follows:

"SEC. 182. *Fixed taxes*—(A) *On business*—(1) *Persons subject to percentage tax.*—Unless otherwise provided, every person engaging in a business on which the percentage tax is imposed shall pay in full a fixed annual tax of twenty pesos for each calendar year or fraction thereof in which such person shall engage in said business.

"(2) *Persons not subject to percentage tax.*—Every person who is not required to pay the percentage tax prescribed in sections one hundred

eighty-four, one hundred eighty-five and nine hundred eighty-six shall pay in full for each calendar year or fraction thereof in which such person shall engage in business a fixed annual tax based upon his gross annual sales during the preceding calendar year, as follows:

"Ten pesos, if the amount of the gross annual sales exceeds two thousand pesos but does not exceed ten thousand pesos;

"Twenty pesos, if the amount of the gross annual sales exceeds ten thousand pesos but does not exceed thirty thousand pesos;

"Thirty pesos, if the amount of the gross annual sales exceeds thirty thousand pesos but does not exceed fifty thousand pesos;

"Fifty pesos, if the amount of the gross annual sales exceeds fifty thousand pesos but does not exceed seventy-five thousand pesos;

"Seventy-five pesos, if the amount of the gross annual sales exceeds seventy-five thousand pesos but does not exceed one hundred thousand pesos;

"One hundred pesos, if the amount of the gross annual sales exceeds one hundred thousand pesos but does not exceed one hundred fifty thousand pesos;

"One hundred fifty pesos, if the amount of the gross: annual sales exceeds one hundred fifty thousand pesos but does not exceed three hundred thousand pesos;

"Three hundred pesos, if the amount of the gross annual sales exceeds three hundred thousand pesos but does not exceed five hundred thousand pesos; and

"Five hundred pesos, if the amount of the gross annual sales exceeds five hundred thousand pesos: *Provided*, That if a merchant is engaged in two or more businesses, one or more of which is subject to, and the others exempt from, the percentage tax, he shall pay the graduated fixed annual tax provided above, based on the individual sales of his business not subject to the percentage tax under this Title: *Provided, however*, That the initial graduated fixed annual tax to be paid by the person first engaging in business subject to said tax shall be ten pesos.

"This tax shall be payable before the person subject to the same begins to engage in the business, and thereafter within the regulation period in the month of January during which the other fixed privilege taxes may be paid without penalty.

"(3) *Other fixed taxes.*—The following fixed taxes shall be collected as follows, the amount stated being for the whole year, when not otherwise specified:

"(a) Brewers, one thousand pesos.

"(b) Distillers of spirits, one hundred pesos, if the annual production does not exceed fifty thousand gauge liters; two hundred pesos, if the annual production exceeds fifty thousand gauge liters but does not exceed one hundred thousand gauge liters; four hundred pesos, if the annual production exceeds one hundred thousand gauge liters but does not exceed two hundred and fifty thousand gauge liters; and six hundred pesos if the annual production exceeds two hundred and fifty thousand gauge liters,

"(c) Rectifiers of distilled spirit, compounders, and re-packers of wines or distilled spirits, four hundred and fifty pesos.

"(d) Wholesale peddlers of distilled, manufactured, or fermented liquor, one hundred pesos.

"(e) Wholesale peddlers of manufactured tobacco, fifty pesos.

"(f) Retail peddlers of distilled, manufactured, or fermented liquor, one hundred and fifty pesos.

"(g) Retail peddlers of manufactured tobacco, sixteen pesos.

"(h) Wholesale liquor dealers—

1. In the City of Manila, six hundred pesos;
2. In chartered cities other than Manila, four hundred pesos;
3. In any other place, one hundred and fifty pesos.

"(i) Wholesale dealers in fermented liquors, except basi, tuba and tapuy, one hundred and fifty pesos.

"(j) Retail liquor dealers, one hundred pesos.

"(k) Retail vino dealers, twenty pesos.

"(l) Retail dealers in fermented liquors, fifty pesos.

"(m) Wholesale leaf tobacco dealers, one hundred pesos.

"(n) Retail leaf tobacco dealers, thirty pesos.

"(o) Manufacturers of tobacco and manufacturers of cigars and cigarettes
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1. In the City of Manila, four hundred pesos;
2. In any other place, one hundred pesos.

"(p) Wholesale tobacco dealers, sixty pesos; retail tobacco dealers, sixteen pesos.

"(q) Manufacturers or importers of playing cards, two hundred pesos.

"(r) Manufacturers, producers, or importers of soft drinks or mineral waters, one hundred pesos.

"(s) Stockbrokers, dealers in securities, real estate brokers, real estate dealers, commercial brokers, customs brokers and immigration brokers, one hundred and fifty pesos: *Provided, however,* That in the case of real estate dealers, the annual fixed tax to be collected shall be as follows:

"One hundred and fifty pesos, if the annual income from buying, selling, exchanging, leasing, or renting property (whether on their own account as principals or as owners of rental property or properties) is three thousand pesos or more but not exceeding ten thousand pesos;

"Three hundred pesos, if such annual income exceeds ten thousand pesos but does not exceed thirty thousand pesos; and

"Five hundred pesos, if such annual income exceeds thirty thousand pesos.

"(t) Owners of race tracks for each day on which races are run on any track, five hundred pesos.

"(u) Lending investors—

1. In chartered cities and first-class municipalities, three hundred pesos;
2. In second and third-class municipalities, one hundred and fifty pesos;
3. In fourth and fifth-class municipalities and municipal districts, seventy-five pesos: *Provided,* That lending investors who do business as such in more than one province shall pay a tax of three hundred pesos.

"(v) Cinematographic film owners, lessors or distributors, two hundred pesos.

"(B) *On occupation.*—Taxes on occupation shall be collected as follows, the amount stated being the sum due for the whole year:

"(1) Lawyers, medical practitioners, architects, interior decorators, certified public accountants, civil, electrical, chemical, mechanical or mining engineers, insurance agents and subagents, veterinarians, dental surgeons, opticians, commercial aviators, professional appraisers or connoisseurs of tobacco and other domestic or foreign products, licensed ship masters and marine chief engineers, seventy-five pesos.

"The term 'mechanical engineers', as used herein, means professional mechanical engineers as defined in Commonwealth Act Numbered Two hundred and ninety-four.

"(2) Land surveyors, chief mates, marine second engineers, pharmacists, registered nurses, chiropodists, tattooers, masseurs, pelotaris, jockeys,

professional actors or actresses, stage performers and hostesses, fifty pesos.

"Every professional legally authorized to practice his profession, who has paid the corresponding annual privilege tax on professions as herein imposed, shall be entitled to practice the profession for which he has been duly qualified under the law, in all parts of the Philippines without being subject to any other tax, charge, license or fee for the practice of such profession: *Provided, however,* That they have paid to the office concerned the registration fees required by their respective professions.

"(C) *Exceptions.*—The following shall be exempt from the tax imposed in this section:

"(1) Persons whose gross annual sales do not exceed two thousand pesos.

"(2) All persons engaged in public market places exclusively in the sale at retail of domestic meat, fruits, vegetables, game, poultry, fish, and other similar domestic food products.

"(3) Peddlers and sellers at fixed stands and other similar selling places engaged exclusively in the sale at retail of domestic meat, fruits, vegetables, game, poultry, fish, and similar domestic food products, whose total stock in trade on any one day does not reach a retail value of one hundred pesos.

"(4) Producers of commodities of all classes working in their own homes, consisting of parents and children living as one family, when the value of each day's production by each person capable of working is not in excess of five pesos.

"(5) Owners of animal drawn two-wheeled vehicles.

"(6) Owners of bancas.

"(7) Persons employed in any branch of the service of the Government of the Philippines whose entire professional services are devoted exclusively thereto or are applied under its direction, or persons devoting their entire professional services to any religious, educational, or charitable institution, or hospital, sanitarium, or to any similar establishment, not conducted for private gain, in respect p the tax imposed by paragraph (B) of this section."

SEC. 5. Section one hundred eighty-three of Commonwealth Act Numbered Four hundred sixty-six, as amended, is hereby further amended to read as follows:

"SEC. 183. *Payment of percentage taxes.*—(a) *In general.*—It shall be the duty of every person conducting a business on which a percentage tax is imposed under this Title, to make a true and complete return of the amount of his, her or its gross monthly sales, receipts, or earnings, or gross value of output actually removed from the factory or mill