

[ **REPUBLIC ACT NO. 1394, August 29, 1955** ]

**AN ACT TO IMPOSE A SPECIAL IMPORT TAX ON ALL GOODS, ARTICLES OR PRODUCTS IMPORTED OR BROUGHT INTO THE PHILIPPINES, AND TO REPEAL REPUBLIC ACTS NUMBERED SIX HUNDRED AND ONE, EIGHT HUNDRED AND FOURTEEN, EIGHT HUNDRED AND SEVENTY-ONE, ELEVEN HUNDRED AND SEVENTY-FIVE, ELEVEN HUNDRED AND NINETY-SEVEN AND THIRTEEN HUNDRED AND SEVENTY-FIVE.**

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

SECTION 1. Except as herein otherwise provided, there shall be levied, collected and paid a special import tax on all goods, articles or products imported or brought into the Philippines, irrespective of source, during the period and in accordance with the rates provided for in the following schedule:

1. Calendar year 1956, seventeen per cent;
2. Calendar year 1957, fifteen and three-tenths per cent;
3. Calendar year 1958, thirteen and six-tenths per cent;
4. Calendar year 1959, eleven and nine-tenths per cent;
5. Calendar year 1960, ten and two-tenths per cent;
6. Calendar year 1961, eight and five-tenths per cent;
7. Calendar year 1962, six and eight-tenths per cent;
8. Calendar year 1963, five and one-tenth per cent;
9. Calendar year 1964, three and four-tenths per cent; and
10. Calendar year 1965, one and seven-tenths per cent: *Provided, however,* That this Act does not repeal the specific and compensating taxes on imported goods

SEC. 2. (a) Notwithstanding the provisions of section one of this Act, if as a result of the application of the schedule therein, the total revenue derived from the customs duties and from the special import tax on goods, articles or products imported from the United States is less in any calendar year than the proceeds from the exchange tax imposed under Republic Act Numbered Six hundred and one, as amended, on such goods, articles or products during the calendar year 1955, the President may, by proclamation, suspend the reduction of the special import tax for the next succeeding calendar year as prescribed in the schedule, and, in order to restore the total revenue to be collected on the importation of United States goods, articles or products to the level of the exchange tax thereon during the calendar year 1955, increase the special import tax on all goods coming from any country for such succeeding calendar year to any previous rate provided for in this Act which is deemed necessary to restore the said revenue to the level attained in calendar year 1955.

(b) After the President shall have made adjustments in the rate of tax for any given year in accordance with paragraph (a) of this section, the tax to be imposed in subsequent years shall be as provided for the corresponding year in the schedule in section one: *Provided*, That the President may impose any higher rate of tax within the schedule other than that fixed for the corresponding year in order to cover anticipated deficiency in revenue arising from the operation of this Act.

SEC. 3. The value for assessment of the special import tax on goods, articles of products shall be the price at which, at the time of exportation, those goods, articles or products or one of the same kind is offered for sale in the exporting country, in the usual wholesale quantities and in the ordinary course of trade excluding internal excise taxes to be remitted or rebated, plus ordinary expenses prior and incidental to the lading of such goods, articles or products on board the vessel at the port of export including taxes or duties, if any, and ordinary freight as well as ordinary insurance covering the transportation of such goods, articles or products to the port of entry.

SEC. 4. The special import tax shall be paid by the importer to the Bureau of Customs in accordance with regulations to be promulgated by the Department of Finance and prior to the release of the imported goods, articles or products from customs custody.

SEC. 5. Republic Act Numbered Six hundred and one, as amended, is hereby repealed.

SEC. 6. The tax provided for in section one of this Act shall not be imposed against the importation into the Philippines of machinery and/or raw materials to be used by new and necessary industries as determined in accordance with Republic Act Numbered Nine hundred and one; cattle; canned milk, canned beef, canned salmon and sardines, cocoa beans, malt, stabilizer and flavors, vitamin concentrate; supplies and equipment purchased directly by the Government or any of its instrumentalities for its own exclusive use; machinery, equipment, accessories, and spare parts, for the use of industries, miners, mining enterprises, planters and farmers; and fertilizers when imported by planters or farmers directly or through their cooperatives; spare parts to be used in the repair of vessels of Philippine registry or airplanes and such other parts thereof as may be certified by the Hulls and Boilers Division of the Bureau of Customs or the Civil Aeronautics Administration, respectively, as essential to the maintenance of vessels or airplanes; vessels or ships of any kind or nature intended for Philippine registry, sixty per cent of the ownership of which belongs exclusively to Filipinos; articles or containers used, including materials for the manufacture of tin containers used by the importer himself in the manufacture or preparation of local products for consignment or export abroad; textbooks, reference books, and supplementary readers approved by the Board on Textbooks and/or established public or private educational institutions; paper and newsprint imported by publishers for their exclusive use in the publication of books, pamphlets, magazines and newspapers; cyanide explosives and dynamite for mining purposes; drugs and medicines, and medical, dental and hospital supplies enumerated as follows:

#### DRUGS AND MEDICINES

1. Amebacides, except emetine preparations.