

[REPUBLIC ACT NO. 894, June 20, 1953]

AN ACT TO AMEND THE FIRST PARAGRAPH OF SECTION ONE HUNDRED AND EIGHTY-SIX, CHAPTER ONE, TITLE V, OF COMMONWEALTH ACT NUMBERED FOUR HUNDRED AND SIXTY-SIX, ENTITLED "AN ACT TO REVISE, AMEND AND CODIFY THE INTERNAL REVENUE LAWS OF THE PHILIPPINES."

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

SECTION 1. The first paragraph of section one hundred and eighty-six, Chapter one, Title V, of Commonwealth Act Numbered Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 186. *Percentage tax on sales of other articles.*— There shall be levied, assessed, and collected once only on every original sale, barter, exchange, and similar transaction either for nominal or valuable considerations to transfer ownership of, or title to, the articles not enumerated in section one hundred and eighty-four and one hundred and eighty-five a tax equivalent to seven *per centum* of the gross selling price or gross value in money of the articles so sold, bartered, exchanged, or transferred, such tax to be paid by the manufacturer, producer, or importer: *Provided*, That where the articles are manufactured out of materials, subject to tax under this section, the total cost of such materials, as duly established, shall be deductible from the gross selling price or gross value in money of the manufactured articles: *And Provided, further*, That with respect to all forest products, whether manufactured or in the original form, a tax equivalent to five *per centum* only of the selling price or gross value in money shall be levied, assessed, and collected: *And provided, finally*, That with respect to goods or products shipped or exported abroad, no percentage tax shall be levied thereon irrespective of any shipping arrangement that may be agreed upon which may influence or determine the transfer of ownership of the goods or products exported.

"In the case of operators or proprietors of sawmills who buy logs for the purpose of sawing and/or cutting them into lumber of standard sizes, the tax prescribed in this section shall be computed on thirty-three and one-third *per centum* of the gross cost of logs purchased during any given quarter intended for manufacture. Operators or proprietors of sawmills entitled to the privilege of paying the tax on thirty-three and one-third *per centum* of the gross cost of the logs purchased by them shall keep a complete record of their transactions, specially their purchase of logs together with the corresponding vouchers, such as official and auxiliary invoices, or the commercial invoices of the producers from whom they