

[**REPUBLIC ACT NO. 600, March 28, 1951**]

AN ACT TO PRESCRIBE A GRADUATED SCALE FOR THE INCOME TAX ON CORPORATIONS BY AMENDING SECTIONS TWENTY-FOUR AND FIFTY-FOUR OF COMMONWEALTH ACT NUMBERED FOUR HUNDRED AND 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 twenty-four of Commonwealth Act Numbered Four hundred and sixty-six, as amended, is hereby further amended to read as follows:

"SEC. 24. *Rate of tax on corporations.*-There shall be levied, assessed, collected, and paid annually upon the total net income received in the preceding taxable year from all sources by every corporation organized in, or existing under the laws of the Philippines, no matter how created or organized, but not including duly registered general copartnerships (*compañias colectivas*), a tax upon such income equal to the sum of the following:

Twenty *per centum* upon the amount by which such total net income does not exceed one hundred thousand pesos; and

Twenty-eight *per centum* upon the amount by which such total net income exceeds one hundred thousand pesos; and a like tax shall be levied, assessed, collected, and paid annually upon the total net income received in the preceding taxable year from all sources within the Philippines by every corporation organized, authorized, or existing under the laws of any foreign country: *Provided, however,* That Building and Loan Associations operating as such in accordance with sections one hundred and seventy-one to one hundred and ninety of the Corporation Law, as amended, as well as private educational institutions, shall pay a tax of twelve *per centum* and ten *per centum*, respectively, on their total net income: *And provided, further,* That in the case of dividends received by a domestic or resident foreign corporation from a domestic corporation liable to tax under this Chapter, only twenty-five *per centum* thereof shall be returnable for purposes of the tax imposed by this section."

SEC. 2. Section fifty-four of Commonwealth Act Numbered Four hundred and sixty-six, as amended, is further amended to read as follows:

"SEC. 54. *Payment of corporation income tax at source.*-In the case of foreign corporations subject to taxation under this Title not engaged in