

[REPUBLIC ACT NO. 40, October 01, 1946]

**AN ACT TO AMEND CERTAIN SECTIONS OF THE NATIONAL
INTERNAL REVENUE CODE, RELATIVE TO DOCUMENTARY STAMP
TAXES.**

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

SECTION 1. Section two hundred and eleven of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 211. *Stamp tax on bonds, debentures, and certifications of indebtedness.*—On all bonds, debentures, and certificates of indebtedness issued by any association, company, or corporation, there shall be collected a documentary stamp tax of thirty centavos on each two hundred pesos, or fractional part thereof, of the face value of such documents."

SEC. 2. Section two hundred and twelve of Commonwealth Act Numbered Four hundred and sixty-six is hereby amended to read as follows;

"SEC. 212. *Stamp tax on original issue of certificates of stock.*—On every original issue, whether on organization, reorganization, or for any lawful purpose, of certificates of stock by any association, company, or corporation, there shall be collected a documentary stamp tax of thirty centavos on each two hundred pesos, or fractional part thereof, of the par value of such certificates: *Provided*, That in the case of the original issue of stock without par value the amount of the documentary stamp tax herein prescribed shall be based upon the actual consideration received by the association, company, or corporation for the issuance of such stock, and in the case of stock dividends, on the actual value represented by each share."

SEC. 3. Section two hundred and thirteen of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 213. *Stamp tax on sales, agreements to sell, memoranda of sales, deliveries or transfer of bonds, due-bills, certificates of obligation, or shares or certificates of stock.*—On all sales, or agreements to sell, or memoranda of sales, or deliveries, or transfer of bonds, due-bills, certificates of obligation, or shares or certificates of stock, in any association, company, or corporation, or transfer of such securities by assignment in blank, or by delivery, or by any papers or agreement, or memorandum or other evidences of transfer or sale whether entitling the holder in any manner to the benefit of such bonds, due-bills, certificates of obligation or stock, or to secure the future payment of money, or for

the future transfer of any bond, due-bill, certificate of obligation or stock, there shall be collected a documentary stamp tax of six centavos on each two hundred pesos, or fractional part thereof, of the par value of such bond, due-bill, certificates of obligation or stock: *Provided*, That only one tax shall be collected on each sale or transfer of stock or securities from one person to another, regardless of whether or not a certificate of stock or obligation is issued, indorsed, or delivered in pursuance of such sale or transfer: *And provided, further*, That in the case of stock without par value the amount of the documentary stamp tax herein prescribed shall be equivalent to twenty *per centum* of the documentary stamp tax paid upon the original issue of said stock."

SEC. 4. Section two hundred and fifteen of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 215. *Stamp tax on certificates of profits or interest in property or accumulations.*—On all certificates of profits, or any certificate or memorandum showing interest in the property or accumulations of any association, company, or corporation, and on all transfers of such certificates or memoranda, there shall be collected a documentary stamp tax of four centavos on each two hundred pesos, or fractional part thereof, of the face value of such certificate or memorandum."

SEC. 5. Section two hundred and sixteen of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 216. *Stamp tax on bank checks, drafts, certificates of deposit not bearing interest, and other instruments.*—On each bank check, draft, or certificate of deposit not drawing interest, or order for the payment of any sum of money drawn upon or issued by any bank, trust company, or any person or persons, companies or corporations, at sight or on demand, there shall be collected a documentary stamp tax of four centavos."

SEC. 6. Section two hundred and seventeen of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 217. *Stamp tax on negotiable promissory notes, bills of exchange, drafts, certificates of deposit bearing interest and others not payable on sight or demand.*—On all bills of exchange (between points within the Philippines), drafts or certificates of deposit drawing interest, or orders for the payment of any sum of money otherwise than at sight or on demand, or on all negotiable promissory notes, except bank notes issued for circulation, and on each renewal of any such note, there shall be collected a documentary stamp tax of four centavos on each two hundred pesos, or fractional part thereof, of the face value of any such bill of exchange, draft, certificate of deposit, or note."

SEC. 7. Section two hundred and eighteen of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 218. *Stamp tax upon acceptance of bills of exchange and others.*—Upon any acceptance of payment of any bill of exchange or order for the payment of money purporting to be drawn in a foreign country but

payable in the Philippines, there shall be collected a documentary stamp tax of six centavos on each two hundred pesos, or fractional part thereof, of the face value of any such bill of exchange or order, or the Philippine equivalent of such value, if expressed in foreign currency."

SEC. 8. Section two hundred and nineteen of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 219. Stamp tax on foreign bills of exchange and letters of credit.—On all foreign bills of exchange and letters of credit (including orders, by telegraph or otherwise, for the payment of money issued by express or steamship companies or by any person or persons) drawn in but payable out of the Philippines in a set of three or more according to the custom of merchants and bankers, there shall be collected a documentary stamp tax of six centavos on each two hundred pesos, or fractional part thereof, of the face value of any such bill of exchange or letter of credit, or the Philippine equivalent of such face value, if expressed in foreign currency."

SEC. 9. Section two hundred and twenty of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 220. *Stamp tax on life insurance policies.*—On all policies of insurance or other instruments by whatever name the same may be called, whereby any insurance shall be made or renewed upon any life or lives, there shall be collected a documentary stamp tax of fifteen centavos on each two hundred pesos, or fractional part thereof, of the amount insured by any such policy."

SEC. 10. Section two hundred and twenty-one of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 221. *Stamp tax on policies of insurance upon property.*—On all policies of insurance or other instruments by whatever name the same may be called, by which insurance shall be made or renewed upon property of any description, including rents or profits, against peril by sea or on inland waters or by fire or lightning, there shall be collected a documentary stamp tax of six centavos on each four pesos, or fractional part thereof, of the amount of premium charged."

SEC. 11. Section two hundred and twenty-two of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 222. *Stamp tax on fidelity bonds and other insurance policies.*—On all policies of insurance or bonds or obligations of the nature of indemnity for loss, damage, or liability made or renewed by any person, association, company, or corporation transacting the business of accident, fidelity, employer's liability, plate glass, steam boiler, burglar, elevator, automatic sprinkler, or other branch of insurance (except life, marine, inland, and fire insurance), and all bonds, undertakings, or recognizes, conditioned for the performance of the duties of any office or position, for the doing or not doing of anything therein specified, and on all obligations guaranteeing the validity or legality of any bonds or other obligations issued by any province, city, municipality, or other public body or organization, and on all obligations guaranteeing the title to any real

estate, or guaranteeing any mercantile credits, which may be made or renewed by any such person, company or corporation, there shall be collected a documentary stamp tax of six centavos on each four pesos, or fractional part thereof, of the premium charged."

SEC. 12. Section two hundred and twenty-three of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 223. *Stamp tax on policies of annuities.*—On all policies of annuities, or other instruments by whatever name the same may be called, whereby an annuity may be made, transferred, or redeemed, there shall be collected a documentary stamp tax of thirty centavos on each two hundred pesos, or fractional part thereof, of the capital of the annuity, or should this be unknown, then on; each two hundred pesos, or fractional part thereof, of thirty-three and one-third times the annual income."

SEC. 13. Section two hundred and twenty-four of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 224. *Stamp tax on indemnity bonds.*—On all bonds for indemnifying any person, firm, or corporation who shall become bound or engaged as surety for the payment of any sum of money or for the due execution or performance of the duties of any office or position or to account for money received by virtue thereof, and on all other bonds of any description, except such as may be required in legal proceedings, or are otherwise provided for herein, there shall be collected to documentary stamp tax of seventy-five centavos."

SEC. 14. Section two hundred and twenty-five of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 225. *Stamp tax on certificates.*—On each certificate of damage, or otherwise, and on every other certificate or document issued by any customs officer, marine surveyor, or other person acting as such, and on each certificate issued by 'a notary public, and on each certificate of any description required by law, or by rules or regulations of a public office, or which is issued for the purpose of giving information, or establishing proof of a fact, and not otherwise specified herein, there shall be collected a documentary stamp tax of thirty centavos: *Provided*, That in the case of tax clearance certificates, there shall be collected a documentary stamp tax of fifteen pesos each on certificate for a first class passenger; eight pesos for a second or tourist class passenger; and two pesos for a third class or steerage passenger."

SEC. 15. Section two hundred and twenty-six of Commonwealth Act Number Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 226. *Stamp tax on warehouse receipts.*—On each warehouse receipt for property held in storage in a public or private warehouse or yard for any other person than the proprietor of such warehouse or yard himself, there shall be collected a documentary stamp tax of thirty centavos: *Provided*, That no tax shall be collected on each warehouse