

[ Act No. 3734, November 22, 1930 ]

**AN ACT TO AMEND ARTICLE TWELVE OF CHAPTER SIXTY-SIX OF THE ADMINISTRATIVE CODE, REPEALING SECTION TWENTY-SEVEN HUNDRED AND THIRTY-FIVE THEREOF AND INSERTING IN LIEU OF THE SAME A NEW SECTION AUTHORIZING THE PAYMENT OF REWARDS TO PERSONS GIVING DEFINITE INFORMATION LEADING TO THE CONVICTION OF VIOLATORS OF THE INTERNAL-REVENUE LAWS OR THE COLLECTION OF DELINQUENT INTERNAL-REVENUE TAXES, AND FOR OTHER PURPOSES.**

*Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:*

SECTION 1. Section twenty-seven hundred and thirty-five of the Administrative Code is hereby repealed and the following is inserted in lieu thereof:

"SEC. 2735. *Payment of informers.*—Any person, except an internal-revenue agent or officer or other public official, who voluntarily gives definite information leading to the arrest and conviction of any one violating any of the penal provisions of the internal-revenue laws, shall be rewarded in a sum equivalent to fifty per centum of the fine imposed by the court and collected from the violator: *Provided, however,* That in cases in which the violator has offered to compromise the violation of law committed by him and his offer has been accepted by the Collector of Internal Revenue, the reward to be paid to the informer shall be fifty per centum of the amount compromised and collected from the violator, exclusive of taxes: *Provided, further,* That if the information furnished has led to the discovery of any delinquency or fraud in the payment of any internal-revenue tax for which the law provides penalties, the informer shall also receive a reward equivalent to fifty per centum of the penalties established by law and actually collected from the delinquent or offending taxpayer: *And provided, further,* That if the money paid by the delinquent taxpayer or collected by the Government by legal action or execution, is not sufficient to cover all taxes and penalties established by law and owing by the taxpayer, the informer shall receive fifty per centum of the sum so paid or collected, but he shall in no case receive more than the amount of the reward to which he is entitled under the provisions of this section: *And provided, finally,* That the reward provided for in this section shall be paid under regulations issued by the Collector of Internal Revenue, with the approval of the Department head.

"The reward herein authorized shall be paid out of the fines, compromises, and penalties established by law, collected as result of the information furnished by the informers."

SEC. 2. This Act shall take effect on its approval.

Approved, November 22, 1930.

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