

[BATAS PAMBANSA BLG. 83, September 17, 1980]

AN ACT AMENDING CERTAIN SECTIONS OF THE NATIONAL INTERNAL REVENUE CODE OF 1977, AS AMENDED, GOVERNING THE TAXATION OF FOREST PRODUCTS AND FOR OTHER PURPOSES.

Be it enacted by the Batasang Pambansa in session assembled:

SECTION 1. Section 270 of the National Internal Revenue Code of 1977, as amended, is further amended to read as follows:

"SEC. 270. *Measuring of forest products and invoicing and collection of charges thereon.*—The duties incident to the measuring of forest products shall be discharged by the Bureau of Forest Development under regulations of the Ministry of Natural Resources. The invoicing and collection of the charges thereon shall be done by the Bureau of Internal Revenue under regulations approved by the Minister of Finance."

SEC. 2. Section 271 of the same Code is hereby amended to read as follows:

"SEC. 271. *Mode of measuring timber.*—Except as hereinbelow provided, all timber shall be measured and manifested in the round or squared, before being sawn or manufactured. The volume of all round timber shall be ascertained by multiplying the area of the small end by the length of the log, the diameter of the log to be measured exclusive of the bark; but if the end of a log is irregular the average diameter shall be used; and in order to ascertain the volume of a log more than eight meters long, the diameter of the middle of said log, or the average of the diameters at both ends thereof shall be used as basis. If a log in the round, cut under license, is measured and manifested by forest officers, the Director of Forest Development shall make due allowance for rot, cavities, or other natural defects; but from any decision of the Director of Forest Development in this respect, an appeal shall lie to his Ministry Head, whose decision shall be final. The manifest of timber cut by licensees operating sawmills in or near the forest shall be attested by forest officers whenever practicable.

"The volume of squared timber shall be ascertained by multiplying the average of the cross section measured by the length, to which forty *per centum* shall be added for loss in squaring: *Provided, however,* That if squared timber cut under license is measured and manifested by forest officers, the Director of Forest Development shall make due allowance for rot, cavities, or other natural defects; but from any decision of the Director of Forest Development in this respect, an appeal shall lie to his Ministry Head, whose decision shall be final. The privilege of manifesting timber after squaring shall, however, be granted only to licensees who have squared their logs in the forests with the ax and intend to take it to the market in this form.

"If sawn or otherwise manufactured timber is found which has not been manifested in accordance with the provisions hereof, the corresponding forest charges shall be assessed on twice the volume of the actual contents of such sawn or manufactured timber."

SEC. 3. Section 272 of the same Code is hereby amended to read as follows:

"SEC. 272. *Charges on timber cut in forest land.* —Except as otherwise specially provided, the following charges shall be collected on each cubic meter of timber cut in any forest land in the Philippines, whether removed therefrom or not:

"(a) On timber in the first and second groups, thirty pesos;

"(b) On timber in the third and fourth groups, not including firewood, fifteen pesos;

"(c) On branches and other recoverable wood wastes of timber, regardless of group classification, when used as fuelwood or raw materials for the manufacture of finished wood products shall be taxed at the rate of two pesos per cubic meter."

SEC. 4. Section 273 of the same Code is hereby amended to read as follows:

"SEC. 273. *Charges on firewood cut in forest land.*— There shall be collected forest charges on each cubic meter of firewood cut in forest land, except all mangrove species, two pesos.

"Only third or fourth-group wood can be taken for firewood. However, if jointly authorized by the Ministers of both the Ministries of Natural Resources and Agriculture, first and second-group woods may be removed for firewood purposes from land which is more valuable for agricultural than for forest purposes."

SEC. 5. Section 274 of the same Code is hereby repealed.

SEC. 6. Section 275 of the same Code is hereby amended to read as follows:

"SEC. 275. *Specific penalties for illegal cutting and removal of forest products or for delinquency.*—When forest products are unlawfully cut or gathered in any forest lands without license or if under license, in violation of the terms thereof, the charges on such products shall be increased by three hundred *per centum*. If forest products shall be removed without invoice, or upon removal shall be discharged without permit from boat, car, cart, or other means of transportation, the charges shall be increased by fifty *per centum*."

SEC. 7. Section 276 of the same Code is hereby amended to read as follows:

"SEC. 276. *Charges on timber cut for use on mining claim.*—When a license is granted by the Bureau of Forest Development allowing the miner or mining company to cut timber for the development of a mining claim on land other than such as is covered by his or its claim, the charges on timber so cut as prescribed above, shall likewise be imposed upon the mine lessee or concessionaire."