

# [ Commonwealth Act No. 106, October 29, 1936 ]

## **AN ART TO AMEND SECTION FIFTEEN HUNDRED AND THIRTY-SIX OF ACT NUMBERED TWENTY-SEVEN HUNDRED AND ELEVEN, AS AMENDED, RELATING TO THE INHERITANCE TAX.**

*Be it enacted by the National Assembly of the Philippines:*

SECTION 1. Section fifteen hundred and thirty-six of Act Numbered Twenty-seven hundred and eleven as amended by section ten of Act Numbered Twenty-eight hundred and thirty-five and section one of Act .Numbered Thirty hundred and thirty-one, is hereby further amended to read as follows;

"Sec. 1536. *Conditions and rate of taxation.*—Every transmission by a decedent, whether a resident or a non-resident, by virtue of inheritance, devise, bequest, gift mortis causa or advance in anticipation of inheritance devise or bequest of real property located in the Philippines and real rights in such property; of any franchise which must be exercised in the Philippines; of any shares, obligations, or bonds issued by any corporation or sociedad angnima organized or constituted in the Philippines in accordance with its laws; of any shares, obligations, or bonds issued by any foreign corporation the principal business of which is located in the Philippines; of any shares, obligations or bonds issued by any foreign corporation if such shares, obligations or bonds have acquired a business situs in the Philippines; of any shares or rights in any partnership, business or industry established in the Philippines or of any personal property, whether tangible or intangible, located in the Philippines shall be subject to the tax prescribed in this section: *Provided, however,* That in the case of a resident decedent, the transmission of any intangible personal property, regardless of its location, is likewise subject to the tax provided for in this section.

"Every transfer made directly or indirectly by the decedent in his lifetime, in contemplation of or intended to take effect in possession or enjoyment at or after his death, except in case of a *bona fide* sale for an adequate and full consideration in money or money's worth, is likewise subject to the tax herein provided. Where within three years prior to his death, and without such prior consideration the decedent has made a transfer or transfers, by trust or otherwise, of any of his property, or an interest therein, not admitted or shown to have been made in contemplation of or intended to take effect in possession of enjoyment at or after his death, such transfer or transfers shall be deemed and held to have been made in contemplation of death within the meaning of this section.

"(a) When the surviving spouse, a legitimate, recognized natural or adopted child or legitimate descendant of any of them is the beneficiary, or either of the legitimate parents of the deceased or the father or mother who had recognized him as a natural child, and in every case where the beneficiary receives the property exclusively for educational or charitable purposes there shall be collected upon the share which corresponds to each beneficiary in the inventoried property a tax

according to the following schedule:

"One *per centum* upon the first ten thousand pesos; two *per centum* upon the amount by which such share exceeds ten thousand pesos and does not exceed thirty thousand pesos ; three *per centum* upon the amount by which such share exceeds thirty thousand pesos and does not exceed fifty thousand pesos; four *per centum* upon the amount by which such share exceeds fifty thousand pesos and does not exceed eighty thousand pesos; five *per centum* upon the amount by which such share exceeds eighty thousand pesos and does not exceed one hundred and ten thousand pesos; six *per centum* upon the amount by which such share exceeds one hundred and ten thousand pesos and does not exceed one hundred and fifty thousand pesos; seven *per centum* upon the amount by which such share exceeds one hundred and fifty thousand pesos and does not exceed one hundred and ninety thousand pesos; eight *per centum* upon the amount by which such share exceeds one hundred and ninety thousand pesos and does not exceed two hundred and forty thousand pesos; nine *per centum* upon the amount by which such share exceeds two hundred and forty thousand pesos and does not exceed two hundred and ninety thousand pesos ; ten *per centum* upon the amount by which such share exceeds two hundred and ninety thousand pesos and does not exceed three hundred and fifty thousand pesos; eleven *per centum* upon the amount by which such share exceeds three hundred and fifty thousand pesos and does not exceed four hundred and twenty thousand pesos; twelve *per centum* upon the amount by which such share exceeds four hundred and twenty thousand pesos and does not exceed five hundred thousand pesos; thirteen *per centum* upon the amount by which such share exceeds five hundred thousand pesos and does not exceed six Hundred thousand pesos; fourteen *per centum* upon the amount by which such share exceeds six hundred thousand pesos and does not exceed seven hundred and twenty thousand pesos; fifteen *per centum* upon the amount by which such share exceeds seven hundred and twenty thousand pesos and does not exceed eight hundred and fifty thousand pesos; sixteen *per centum* upon the amount by which such share exceeds eight hundred and fifty thousand pesos and does not exceed one million pesos; seventeen *per centum* upon the amount by which such share exceeds one million pesos and does not exceed one million and two hundred thousand pesos; eighteen *per centum* upon the amount by which such share exceeds one million and two hundred thousand pesos and does not exceed one million and five hundred thousand pesos; nineteen *per centum* upon the amount by which such share exceeds one million and five hundred thousand pesos and does not exceed two million pesos; and twenty *per centum* upon the amount by which such share exceeds two million pesos.

"Where the property is received for educational or charitable purposes, it shall be the duty of. the person or persons in charge thereof to submit from time to time a report of the administration and use of the property to the Collector of Internal Revenue and within twenty days after demand therefor has been made by the said Collector: Provided, That every person or persons entrusted with the administration and custody of such property who shall make use or dispose thereof for purposes other than