

[PRESIDENTIAL DECREE NO. 1956, October 10, 1984]

IMPOSING AN AD VALOREM TAX ON CERTAIN MANUFACTURED OILS AND OTHER FUELS, BUNKER FUEL OIL AND DIESEL FUEL OIL; REVISING THE 'RATES ON SPECIFIC TAX THEREON ABOLISHING THE OIL INDUSTRY SPECIAL FUND; AND FOR OTHER PURPOSES

WHEREAS, the current economic crisis amounts to a grave emergency which affects the stability of the nation and requires immediate action;

WHEREAS, it is also desirable to stabilize the prices of petroleum products for a longer period despite exchange rate adjustments or world market price changes;

WHEREAS, the issuance of this Decree is an essential and necessary component of the national economic recovery program formulated to meet and overcome the emergency;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, pursuant to the powers vested in me by the Constitution, do hereby order and decree:

SECTION 1. There is hereby imposed on certain manufactured oils and other fuels, bunker oil and diesel fuel oil, an ad valorem tax, as follows:

- a. Kerosene, fourteen per centum;
- b. Naptha, regular gasoline and all similar products of distillation, twenty-five per centum;
- c. Premium and aviation gasoline, twenty-five per centum;
- d. Thinners and solvents, twenty-five per centum;
- e. Liquefied petroleum gas, fourteen per centum;
- f. Asphalt, fourteen per centum;
- g. Aviation turbo jet fuel, twenty-five per centum;
- h. Fuel oil, commercially known as bunker fuel oil and on all similar fuel oils, having more or less the same generating power, seven per centum;
Fuel oil, commercially known as diesel fuel oil, and on similar fuel oils, having more or less the same generating capacity, twenty-two per centum.

SEC. 2. The ad valorem tax shall be based on the wholesale posted price net of specific and domestic ad valorem taxes of the oil product concerned, as provided by the Board of Energy.

SEC. 3. The ad valorem tax shall be paid by the manufacturer, producer, owner, person having possession of importer, at the same, time, in the same manner and subject to the same penalties, as the Specific Tax, as prescribed in Presidential Decree No. 1158, as amended.

SEC. 4. Proceeds realized from the ad valorem tax shall accrue to the General Fund.

SEC. 5. Section 153 of Presidential Decree No. 1158, as amended, is hereby further amended to read as follows:

"SEC. 153. Specific Tax on manufactured oils and other fuels.—On refined and manufactured mineral , oils and motor fuels, there shall be collected the following taxes which shall attach to the articles hereunder enumerated as soon as they are in existence as such:

"(a) Lubricating oil per liter of volume capacity, four pesos and fifty centavos;

"(b) Naptha, regular gasoline and all other similar products of distillation, per liter of volume capacity, one peso and twenty-nine centavos; Provided, That on premium and aviation gasoline the tax shall be one peso and eighteen and one-half centavos per liter of volume capacity;

"(c) On denatured alcohol to be used for motive power, per liter of volume capacity, one centavo: Provided, That, unless otherwise provided for by special taxes, if the denatured alcohol is mixed with gasoline, the specific tax on which has already been paid, only the alcohol content shall subject to the tax herein prescribed, For the purposes of this subsection, the removal of denatured alcohol of not less than one hundred eighty degress proof (ninety per centum absolute alcohol) shall be deemed to have been removed for motive power, unless shown to the contrary;

"(d) Processed gas, per liter of volume capacity, five centavos;

"(e) Thinners and solvents, per liter of volume capacity, one peso and twenty centavos;

"(f) Liquefied petroleum gas, per kilogram, sixty-two and cue half centavos; Provided, That liquefied petroleum gas used for motive power shall be, taxed at a rate equivalent to the specific and ad valorem tax on diesel fuel oil;

"(g) Greases, waxes and petrolatum, per kilogram, four pesos and fifty centavos;

"(h) Aviation turbo jet fuel, per liter of volume capacity, one peso and twenty centavos;

"(i) Fuel oil, commercially known as bunker fuel oil, and on all similar fuel oils, having more or less the same generating power, twenty-five centavos per liter of volume capacity."

SEC. 6. The payments of Special Fund as provided in Section 17 of Republic Act 6173, as amended, shall be abolished; Provided, That petroleum products in the possession of the oil companies which had been removed from the refinery or from the bonded terminal but not yet sold, shall be subject to the same rate of special fund impost prevailing- before the effectivity of this Decree.

SEC. 7. The special Fund created under Section 8 paragraph (j), of Republic Act No, 6173, as amended, is hereby abolished. Outstanding claims against the Special Fund shall be settled from the existing resources and the balance, if any, shall be transferred to the General Fund.