

# [ PRESIDENTIAL DECREE NO. 1357, April 21, 1978 ]

## AMENDING SECTION 195 OF THE NATIONAL INTERNAL REVENUE CODE OF 1977 TO PROVIDE FOR A MORE REALISTIC AND EQUITABLE SALES TAX SYSTEM FOR AUTOMOBILES.

**WHEREAS**, it is recognized that the car manufacturing industry is contributing a vital role in the economic development of the country;

**WHEREAS**, there is a need to revise the tax system in order to provide for a more realistic and equitable sales taxation for automobiles;

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

**SECTION 1.** The National Internal Revenue Code of 1977 is hereby amended to read as follows:

**"SEC. 195. Percentage Tax on Sales of Automobiles.**—There shall be levied, assessed, and collected once only on every original sale, barter, exchange, or similar transaction for nominal or valuable consideration intended to transfer ownership of, or title to, automobiles, a percentage tax to be paid by the manufacturer or importer, determined in accordance with the following schedules:

"(A) *For locally manufactured automobiles*—If the suggested retail or list price or actual retail price, whichever is higher, does not exceed P35,000, the tax shall be 10% of such retail price; if it exceeds P35,000 but does not exceed P40,000, the tax shall be P3,500 plus 20% of the excess over P35,000;

If it exceeds P40,000 but does not exceed P45,000, the tax shall be P4,500 plus 30% of the excess over P40,000;

"If it exceeds P45,000 but does not exceed P50,000, the tax shall be P6,000 plus 40% of the excess over P45,000;

"If it exceeds P50,000 but does not exceed P55,000, the tax shall be P8,000 plus 50% of the excess over P50,000;

"If it exceeds P55,000 but does not exceed P60,000, the tax shall be P10,500 plus 60% of the excess over P55,000;

"If it exceeds P60,000, the tax shall be P13,500 plus 70% of the excess over P60,000.

"(B) *For imported automobiles*—If the landed cost plus mark-up as established by Section 193 (b) of this Code does not exceed P35,000, the tax shall be 100% of such landed cost plus mark-up;