

# [ PRESIDENTIAL DECREE NO. 1118, April 15, 1977 ]

## AMENDING PARAGRAPHS (e), (f) AND (g) OF SECTION 38 OF PRESIDENTIAL DECREE No. 231, OTHERWISE KNOWN AS THE LOCAL TAX CODE

**WHEREAS,** for purposes of the resident tax, two residence certificates are issued — one for the basic residence tax and another for the additional residence tax;

**WHEREAS,** the consolidation of these two taxes in one residence certificate will save printing costs for the government and promote convenience to the taxpayer who will thus keep only one document to evidence payment of the two taxes.

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

**SECTION 1.** Paragraphs (e), (f) and (g) of Section 38 of the Local Tax Code is hereby amended to read as follows:

*"Sec. 38. The imposition, rates and sharing of the proceeds of the residence tax. —\* \* \**

(a) \* \* \* \* \*

(b) \* \* \* \* . \* \*

(c) \* \* \* \* \* •

(d) \* \* \* \* \* .

(e) *Time for payment —Penalties for delinquency.*—Liability for the residence taxes accrue on the first day of January of each year as regard persons then residents of the Philippines and liable to the taxes. The residence taxes imposed under this Section shall be paid not later than the last day of February. These who come to reside in the Philippines on or before the last day of June, and those who reach the age of 18 years or otherwise lose the benefit of the exemption on or before that day, shall pay the residence taxes within sixty days from the time they arrive in the Philippines or reach the age of 18 years or from the time they loss the benefit of exemption. Persons who come to reside in the Philippines or arrive at the age of 18 years on or after the first day of July of any year or who cease to belong to an exempt class on or after the same day, shall not be subject to the taxes for that year.

Corporations which may be established or organized on or before the 30th of June shall pay the residence tax within 20 days from the date of incorporation. Those which may be established or organized on or after the first day of July of any year shall not be subject to the tax for such year.

If the taxes are not paid within the time prescribed above, there shall be added to the unpaid amount an interest of fourteen per cent from the