

# [ **PRESIDENTIAL DECREE NO. 1119, April 15, 1977** ]

## **AMENDING SECTION 124 OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED**

**WHEREAS**, manufacturers of oil products are allowed at present to remove and transfer oil products from the refinery to bonded warehouses without the prepayment of specific tax, and the tax due thereon becomes payable only upon removal of the products from the bonded warehouse;

**WHEREAS**, the present procedure requires too much manpower and too much paperwork; and

**WHEREAS**, for purposes of economy and administrative efficiency, simplified procedure should be instituted by allowing oil companies to pay specific taxes on locally manufactured oil products within a prescribed period from the date of removal from the place of production;

**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.** Section 124 of Commonwealth Act No. 466, as amended, otherwise known as the National Internal Revenue Code, is hereby further amended to read as follows:

"Sec. 124. Payment of specific tax on domestic products. — Specific tax on domestic products shall be paid by the manufacturer, producer, owner, or person having possession of the same; and, except as otherwise especially allowed, such taxes shall be paid immediately before removal from the place of production; PROVIDED, HOWEVER, THAT SPECIFIC TAXES ON LOCALLY MANUFACTURED PETROLEUM PRODUCTS LEVIED UNDER SECTIONS 142, 144 AND 145 OF THIS TITLE, EXCEPT LUBRICATING OIL AND GREASE, SHALL BE PAID WITHIN FIFTEEN (15) DAYS FROM THE DATE OF REMOVAL THEREOF FROM THE PLACE OF PRODUCTION.

"IF THE SPECIFIC TAX ON PETROLEUM PRODUCTS IS NOT PAID WITHIN THE TIME SPECIFIED ABOVE, THE AMOUNT OF TAX SHALL BE INCREASED BY TWENTY-FIVE PER CENTUM THE INCREMENT TO BE A PART OF THE TAX AND THE ENTIRE AMOUNT SHALL BE SUBJECT TO INTEREST AT THE RATE OF FOURTEEN PER CENT PER ANNUM.

"LOCALLY MANUFACTURED PETROLEUM PRODUCTS PRODUCED AND STOCKED BY THE PHILIPPINE NATIONAL OIL COMPANY PURSUANT TO THE NATIONAL POLICY OF MAINTAINING ADEQUATE STRATEGIC FUEL RESERVES SHALL BE EXCLUDED FROM THESE PROVISION AND MAY CONTINUE TO REMAIN BONDED."

**SECTION 2.** This Decree shall take effect thirty (30) days from promulgation hereof.