

[**PRESIDENTIAL DECREE NO. 667, March 05, 1975**]

PROVIDING FOR INCENTIVES TO THE SHIPPING INDUSTRY BY GRANTING ADDITIONAL DEDUCTIBLE ITEMS FOR INCOME TAX PURPOSES.

WHEREAS, the government recognizes the important role of the shipping industry in the economic development of the country;

WHEREAS, there is a need to increase the number of ocean-going shipping vessels of Philippine registry;

WHEREAS, exporters and importers should be encouraged to patronize Philippine flag vessels in order to effect foreign exchange savings;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution, do hereby decree the following as part of the law of the land.

SECTION 1. Exporters of Philippine products shall be allowed to deduct from their taxable income to the extent of one hundred-fifty percentum (150%) of the amount of overseas freight expenses and arrastre charges in Philippine ports, provided that shipments are made on board vessels of Philippine registry.

SEC. 2. Importers of goods that are to be utilized as raw materials, intermediate products or for further manufacturing or for resale shall be allowed to deduct from their taxable income to the extent of one hundred-fifty percentum (150%) of the amount of overseas freight expenses and arrastre charges in Philippine ports on goods shipped from port of source to the Philippines, provided that shipments are made on board vessels of Philippine registry.

SEC. 3. Enterprises that are registered with the Board of Investments shall be allowed to deduct from their taxable income two hundred percentum (200%) of shipping costs incurred in the transport of their product and raw materials to or from foreign ports, provided that shipments are made on board vessels of the Philippine registry.

SEC. 4. The pertinent provisions of the National Internal Revenue Code, Investments Incentives Act, Export Incentives Act, and all laws, decrees, rules and regulations, or parts thereof, inconsistent with any of the provisions of this Decree are hereby repealed, amended or modified accordingly.

SEC. 5. This Decree shall take effect immediately.

Done in the City of Manila, this 5th day of March, in the year of Our Lord, nineteen hundred and seventy-five.

(Sgd.) **FERDINAND E. MARCOS**
President