

# [ **PRESIDENTIAL DECREE NO. 149, March 13, 1973** ]

## **AMENDING SECTIONS 137 (b) AND 156, TITLE IV, OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED BY PRESIDENTIAL DECREE NO. 69, DATED NOVEMBER 24, 1972 AND PRESIDENTIAL DECREE NO. 88, DATED JANUARY 3, 1973**

**WHEREAS**, after a recent survey and further study of the prevailing retail prices of cigarettes in relation to the retail price brackets and the corresponding tax rates prescribed under Presidential Decree No. 69, it has been found that the rising cost of production leaves the manufacturers no more leeway for any future price adjustments in selling prices which may prejudice the profitability of the cigarette industry as a whole;

**WHEREAS**, the tax rates prescribed under said Decree include one tax rate of P8.00 per thousand for two classes of cigarettes having different maximum retail prices which may result in confusion and difficulty in the implementation, to the prejudice of the effective collection of the correct amount of specific tax on the cigarettes concerned;

**WHEREAS**, the maximum amount of manufacturers' and importers' bond provided for under Section 156 of the National Internal Revenue Code, as amended by Presidential Decree No. 69, has been found to be too onerous and cumbersome on the part of the taxpayers concerned and determined to be impracticable in line with the current practice in the field of insurance; and

**WHEREAS**, despite the deferment of the effectivity of the new rates of specific tax on cigarettes by virtue of Presidential Decree No. 88, dated January 3, 1973, the Bureau of Internal Revenue has found it physically impossible to have strip stamps under the new rates of specific tax printed abroad as required by Section 5 of the National Internal Revenue Code, as amended, and further, majority of cigarette manufacturers have manifested that they have big quantities of old stocks of packing materials without the maximum retail prices imprinted thereon, which if not allowed to be used would mean unnecessary loss on their part due to obsolescence by operation of law and as prescribed under Presidential Decree No. 69;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Philippines, by virtue of the powers in me vested by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines and pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, as amended, do hereby order and decree:

1. That Section 137 (b), Title IV, of the National Internal Revenue Code, as amended, is hereby amended to read as follows:

**"SEC. 137.** *Specific tax on cigars and cigarettes.* — On cigars and cigarettes there shall be collected the following taxes:

x x x

"(b) Cigarettes