

[REPUBLIC ACT NO. 7660, December 23, 1993]

**AN ACT RATIONALIZING FURTHER THE STRUCTURE AND
ADMINISTRATION OF THE DOCUMENTARY STAMP TAX,
AMENDING FOR THE PURPOSE CERTAIN PROVISIONS OF THE
NATIONAL INTERNAL REVENUE CODE, AS AMENDED,
ALLOCATING FUNDS FOR SPECIFIC PROGRAMS, AND FOR OTHER
PURPOSES**

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section 173 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"Sec. 173. Stamp taxes upon documents, instruments, loan agreements, and papers. - Upon documents, instruments, loan agreements, and papers, and upon acceptances, assignments, sales, and transfers of the obligation, right, or property incident thereto, there shall be levied, collected and paid for, and in respect of the transaction so had or accomplished, the corresponding documentary stamp taxes prescribed in the following sections of this Title, by the person making, signing, issuing, accepting, or transferring the same wherever the document is made, signed, issued, accepted, or transferred when the obligation or right arises from Philippine sources or the property is situated in the Philippines, and at the same time such act is done or transaction had: Provided, That whenever one party to the taxable document enjoys exemption from the tax herein imposed, the other party thereto who is not exempt shall be the one directly liable for the tax."

Sec. 2. Section 174 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"Sec. 174. Stamp tax on bonds, debentures, and certificates of indebtedness. - On all bonds, debentures, and certificates of indebtedness issued by any association, company, or corporation, there shall be collected a documentary stamp tax of One peso and fifty centavos (P1.50) on each two hundred pesos, or fractional part thereof, of the face value of such documents."

Sec. 3. Section 175 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"Sec. 175. Stamp tax on original issue of certificates of stock. - On every original issue, whether on organization, reorganization or for any lawful purpose, of certificates of stock by any association, company, or

corporations, there shall be collected a documentary stamp tax of Two pesos (P2.00) on each two hundred pesos, or fractional part thereof, of the par value of such certificates: *Provided*, That in the case of the original issue of stock without par value the amount of the documentary stamp tax herein prescribed shall be based upon the actual consideration received by the association, company, or corporation for the issuance of such stock, and in the case of stock dividends on the actual value represented by each share."

Sec. 4. Section 176 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"Sec. 176. *Stamp tax on sales, agreements to sell, memoranda of sales, deliveries or transfer of due-bills, certificates of obligation, or shares or certificates of stock.* - On all sales, or agreements to sell, or memoranda of sales, or deliveries, or transfer of due-bills, certificates of obligation, or shares or certificates of stock in any association, company or corporation, or transfer of such securities by assignment in blank, or by delivery, or by any paper or agreement, or memorandum or other evidences of transfer or sale whether entitling the holder in any manner to the benefit of such due-bills, certificates of obligation or stock, or to secure the future payment of money, or for the future transfer of any due-bill, certificates of obligation or stock, there shall be collected a documentary stamp tax of One peso (P1.00) on each two hundred pesos, or fractional part thereof, of the par value of such due-bill, certificates of obligation or stock: *Provided*, That only one tax shall be collected on each sale or transfer of stock or securities from one person to another, regardless of whether or not a certificate of stock or obligation is issued, endorsed, or delivered in pursuance of such sale or transfer: and *Provided, further*, That in the case of stock without par value the amount of the documentary stamp herein prescribed shall be equivalent to twenty-five *per centum* of the documentary stamp tax paid upon the original issue of said stock: *Provided, furthermore*, That the tax herein imposed shall be increased to One peso and fifty centavos (P1.50) beginning 1996."

Sec. 5. Section 178 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"Sec. 178. *Stamp tax on certificates of profits or interests in property or accumulations.* - On all certificates of profits, or any certificate or memorandum showing interest in the property or accumulations of any association, company, or corporation, and on all transfers of such certificates or memoranda, there shall be collected a documentary stamp tax of Fifty centavos (P0.50) on each two hundred pesos, or fractional part thereof, of the face value of such certificate or memorandum."

Sec. 6. Section 179 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"Sec. 179. *Stamp tax on bank checks, drafts, certificates of deposit not bearing interest, and other instruments.* - On each bank check, draft, or certificate of deposit not drawing interest, or order for the payment of any sum of money drawn upon or issued by any bank, trust company, or

any person or persons, companies or corporations, at sight or on demand, there shall be collected a documentary stamp tax of One peso and twenty-five centavos (P1.25): *Provided*, That the tax herein imposed shall be increased to One peso and fifty centavos (P1.50) beginning 1996."

Sec. 7. Section 180 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"Sec. 180. *Stamp tax on all loan agreements, promissory notes, bills of exchange, drafts, instruments and securities issued by the government or any of its instrumentalities, certificates of deposit bearing interest and others not payable on sight or demand.* - On all loan agreements signed abroad wherein the object of the contract is located or used in the Philippines; bills of exchange (between points within the Philippines), drafts, instruments and securities issued by the Government or any of its instrumentalities or certificates of deposits drawing interest, or orders for the payment of any sum of money otherwise than at sight or on demand, or on all promissory notes, whether negotiable or non-negotiable, except bank notes issued for circulation, and on each renewal of any such note, there shall be collected a documentary stamp tax of Thirty centavos (P0.30) on each two hundred pesos, or fractional part thereof, of the face value of any such agreement, bill of exchange, draft, certificate of deposit, or note: *Provided*, That only one documentary stamp tax shall be imposed on either loan agreement, or promissory notes issued to secure such loan, whichever will yield a higher tax: *Provided, however*, That loan agreements or promissory notes the aggregate of which does not exceed Two hundred fifty thousand pesos (P250,000) executed by an individual for his purchase on installment for his personal use or that of his family and not for business, resale, barter or hire of a house, lot, motor vehicle, appliance or furniture shall be exempt from the payment of the documentary stamp tax provided under this section."

Sec. 8. Section 184 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"Sec. 184. *Stamp tax on policies of insurance upon property.* - On all policies of insurance or other instruments by whatever name the same may be called, by which insurance shall be made or renewed upon property of any description, including rents or profits, against peril by sea or on inland waters, or by fire or lightning, there shall be collected a documentary stamp tax of Fifty centavos (P0.50) on each four pesos, or fractional part thereof, of the amount of premium charged: *Provided, however*, That no documentary stamp tax shall be collected on reinsurance contracts or on any instrument by which cession or acceptance of insurance risks under any reinsurance agreement is effected or recorded."

Sec. 9. Section 185 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"Sec. 185. *Stamp tax on fidelity bonds and other insurance policies.* - On all policies of insurance or bonds or obligations of the nature of indemnity

for loss, damage, or liability made or renewed by any person, association, company or corporation transacting the business of accident, fidelity, employer's liability, plate, glass, steam boiler, burglar, elevator, automatic sprinkler, or other branch of insurance (except life, marine, inland, and fire insurance), and all bonds, undertakings, or recognizances, conditioned for the performance of the duties of any office or position, for the doing or not doing of anything therein specified, and on all obligations guaranteeing the validity or legality of any bonds or other obligations issued by any province, city, municipality, or other public body or organization, and on all obligations guaranteeing the title to any real estate, or guaranteeing any mercantile credits, which may be made or renewed by any such person, company or corporation, there shall be collected a documentary stamp tax of Fifty centavos (P0.50) on each four pesos, or fractional part thereof of the premium charged."

Sec. 10. Section 186 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"Sec. 186. Stamp tax on policies of annuities and pre-need plans. - On all policies of annuities, or other instruments by whatever name the same may be called, whereby an annuity may be made, transferred, or redeemed, there shall be collected a documentary stamp tax of One peso and fifty centavos (P1.50), on each two hundred pesos, or fractional part thereof, of the capital of the annuity, or should this be unknown, then on each two hundred pesos, or fractional part thereof, of thirty-three and one-third times the annual income. On pre-need plans, the documentary stamp tax shall be at Fifty centavos (P0.50) on each Five hundred pesos (P500.00), or fractional part thereof, of the value or amount of the plan."

Sec. 11. Section 187 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"Sec. 187. *Stamp tax on indemnity bonds.* - On all bonds for indemnifying any person, firm or corporation who shall become bound or engaged as surety for the payment of any sum of money or for the due execution or performance of the duties of any office or position or to account for money received by virtue thereof, and on all other bonds of any description, except such as may be required in legal proceedings, or are otherwise provided for herein, there shall be collected a documentary stamp tax of Ten centavos (P0. 10) on each four pesos or fractional part thereof of the premium charge: *Provided*, That the tax herein imposed shall be increased to Thirty centavos (P0.30) on each four pesos or fractional part thereof of the premium charged beginning 1996."

Sec. 12. Section 188 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"Sec. 188. *Stamp tax on certificates.* - On each certificate of damage or otherwise, and on every other certificate or document issued by any customs officer, marine surveyor, or other person acting as such, and on each certificate issued by a notary public, and on each certificate of any description required by law or by rules or regulations of a public office, or which is issued for the purpose of giving information, or establishing