

[REPUBLIC ACT NO. 6125, May 01, 1970]

AN ACT IMPOSING A STABILIZATION TAX ON CONSIGNMENTS ABROAD TO ACCELERATE THE ECONOMIC DEVELOPMENT OF THE PHILIPPINES AND FOR OTHER PURPOSES.

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

SECTION 1. There shall be imposed, assessed and collected a stabilization tax on the gross F.O.B. peso proceeds, based on the rate of exchange prevailing at the time of receipt of such proceeds, whether partial or total, of any exportation of the following products in accordance with the following schedule:

1. In the case of logs, copra, centrifugal sugar, and copper ore and concentrates:

Ten *per centum* of the F.O.B. peso proceeds of exports received on or after the date of effectivity of this Act to June thirty, nineteen hundred seventy-one;

Eight *per centum* of the F.O.B. peso proceeds of exports received from July first, nineteen hundred seventy-one to June thirty, nineteen hundred seventy-two;

Six *per centum* of the F.O.B. peso proceeds of exports received from July first, nineteen hundred seventy-two to June thirty, nineteen hundred seventy-three; and

Four *per centum* of the F.O.B. peso proceeds of exports received from July first, nineteen hundred seventy-three to June thirty, nineteen hundred seventy-four ;

2. In the case of molasses, coconut oil, dessicated coconut, iron ore and concentrates, chromite ore and concentrates, copra meal or cake, unmanufactured abaca, unmanufactured tobacco, veneer core and sheets, plywood (including plywood panels faced with plastics), lumber, canned pineapples, and bunker fuel oil:

Eight *per centum* of the F.O.B. peso proceeds of exports shipped on or after the date of effectivity of this Act to June thirty, nineteen hundred seventy-one;

Six *per centum* of the F.O.B. peso proceeds of exports shipped from July first, nineteen hundred seventy-one-to June thirty, nineteen hundred seventy-two;

Four *per centum* of the F.O.B. peso proceeds of exports shipped from July first, nineteen hundred seventy-two to June thirty, nineteen hundred seventy-three; and

Two *per centum* of the F.O.B. peso proceeds of exports shipped from July first, nineteen hundred seventy-three to June thirty, nineteen hundred seventy-four.

Any export product the aggregate annual F.O.B. value of which shall exceed five million United States dollars in any one calendar years during the effectivity of this Act shall likewise be subject to the rates of tax in force during the fiscal years following its reaching the said aggregate value.

The provisions of all general and special laws to the contrary notwithstanding, there shall be no exemptions from this tax.

In cases where the Central Bank has authorized the utilization of part or all of the foreign exchange earnings from exports by the exporters in payment of foreign obligations, the stabilization tax shall be imposed, assessed and collected on the equivalent F.O.B. peso proceeds which would have been derived from the said utilization of foreign exchange earnings on the products affected by this Act.

SEC. 2. The levy shall be assessed and collected by the Central Bank of the Philippines, through any authorized agent bank, within ten banking hours from the realization, whether partial or total, of the F.O.B. proceeds of the export made in accordance with the rates provided in Section one hereof. The exporter shall be required for this purpose to convert into pesos, through such authorized agent banks, all foreign exchange proceeds of the exportation, subject to such rules and regulations as the Central Bank shall promulgate.

SEC. 3. In case the levy is not fully paid at the time specified in Section two hereof, the deficiency shall be increased by an amount equivalent to twenty-five *per centum* thereof plus one *per centum* of the deficiency for every banking day delay in payment, the total to be collected in the same manner as the levy. Where the deficiency is the result of false or fraudulent statements or representations attributable to the exporter or agent bank, the surcharge shall be fifty *per centum*.

SEC. 4. The proceeds of the levy under this Act shall be used as follows:

- a. Fifty *per centum* of the collection shall be deposited with the Central Bank in a Special Account which shall be used exclusively for (1) servicing domestic and foreign debts of the national government, (2) retiring the existing debts of the national government held by the Central Bank which includes treasury notes, government bills or certificates, securities and bonds, and (3) amortizing the existing budgetary deficit under the general fund: *Provided, however,* That no portion of this amount shall be applied to the payment of the subsequent overdraft of the national government;
- b. Twenty-five *per centum* of the collection shall be deposited with the Central Bank in a Special Account which shall provide for the counterpart requirements of projects financed by the Asian Development Bank, the International Bank of Reconstruction and Development and other United Nations agencies, and other projects financed by loans under bilateral agreements; and
- c. Twenty-five *per centum*, of the collection shall be deposited with the Development Bank of the Philippines in a Special Account for the purpose of granting loans to export industries and agricultural development projects in the private sector especially those directly affected by the levy, including financing