

[REPUBLIC ACT NO. 3140, June 17, 1961]

AN ACT TO AMEND SECTIONS ONE HUNDRED NINE AND ONE HUNDRED TEN OF COMMONWEALTH ACT NUMBERED FOUR HUNDRED SIXTY-SIX, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED.

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

SECTION 1. Section one hundred nine of Commonwealth Act Numbered Four hundred sixty-six, otherwise known as the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 109. *Rates of tax payable by donor.*—The tax for each calendar year shall be an amount equal to the excess of a tax, computed in accordance with the rate schedule hereinafter set forth, on the aggregate sum of the net gifts for such calendar year and for each of the preceding calendar years, over a tax, computed in accordance with the rate schedule, on the aggregate sum of net gifts for each of the preceding calendar year.

Rate Schedule

"One *per centum* of the amount by which the net gifts exceed five thousand pesos and do not exceed twelve thousand pesos;

"Two *per centum* of the amount by which the net gifts exceed twelve thousand pesos and do not exceed thirty thousand pesos;

"Three *per centum* of the amount by which the net gifts exceed thirty thousand pesos and do not exceed fifty thousand pesos;

"Four *per centum* of the amount by which the net gifts exceed fifty thousand pesos and do not exceed seventy thousand pesos;

"Five *per centum* of the amount by which the net gifts exceed seventy thousand pesos and do not exceed one hundred thousand pesos;

"Seven *per centum* of the amount by which the net gifts exceed one hundred thousand pesos and do not exceed one hundred and fifty thousand pesos;

"Nine *per centum* of the amount by which the net gifts exceed one hundred and fifty thousand pesos and do not exceed two hundred and fifty thousand pesos;

"Eleven *per centum* of the amount by which the net gifts exceed two hundred and fifty thousand pesos and do not exceed five hundred thousand pesos;

"Thirteen *per centum* of the amount by which the net gifts exceed five

hundred thousand pesos and do not exceed one million pesos;
"Fifteen *per centum* of the amount by which the net gifts exceed one million pesos;
"The tax provided, in this section shall not apply in every case where the donor makes the gift in favor of an educational institution, foundation, trust and/or the Jose Rizal National Centennial Commission."

SEC. 2. Section one hundred ten of Commonwealth Act Numbered Four hundred sixty-six, otherwise known as the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 110. *Rates of tax payable by donee.*—In addition to the gift tax imposed under the preceding section, there shall be levied a tax in the amount equal to the excess of a tax, computed in accordance with the rate schedule hereinafter set forth, on the aggregate sum of the net gifts received by each donee for such calendar year and for each of the preceding calendar years, over a tax, computed in accordance with the rate schedule, on the aggregate sum of the net gifts for each of the preceding calendar years received by each donee.

Rate Schedule

"(a) When the donee or beneficiary is a spouse, a legitimate, recognized natural, illegitimate or adopted child, or a legitimate descendant or ascendant, or either of the adopting parents of the donor, or the father or mother who had recognized such donor as a natural or illegitimate child, and in every case where the donee receives the property exclusively for education or charitable purposes, there shall be collected from the donee upon the gifts received by him a tax equal to the sum of the following: *Provided, however,* That such portion of the gifts in favor of a spouse or a legitimate, recognized natural, illegitimate or adopted child of the donor, who is a citizen or resident of the Philippines, which is not in excess of five thousand pesos shall be exempt from this tax: *Provided, further,* That the total amount of gifts received by a nonprofit educational institution, foundation, trust and/or the Jose Rizal National Centennial Commission shall be exempt from the tax provided for in this section subject to the condition that not more than thirty *per centum* of said gifts shall be used by such donee for administrative purposes.

"Two *per centum* upon the first twelve thousand pesos;
"Four *per centum* of the amount by which the net gifts exceed twelve thousand pesos and do not extend thirty thousand pesos;
"Six *per centum* of the amount by which the net gifts exceed thirty thousand pesos and do not exceed fifty thousand pesos;
"Eight *per centum* of the amount by which the net gifts exceed fifty thousand pesos and do not exceed seventy thousand pesos;
"Twelve *per centum* of the amount by which the net gifts exceed seventy thousand pesos and do not exceed one hundred thousand pesos;
"Fourteen *per centum* of the amount by which the net gifts exceed one hundred thousand pesos and do not exceed one hundred and fifty