

[REPUBLIC ACT NO. 2351, June 20, 1959]

AN ACT AMENDING REPUBLIC ACT NUMBERED NINE HUNDRED ONE SO AS TO SUBJECT THE INCOME OF NEW AND NECESSARY INDUSTRIES TO THE FULL PAYMENT OF THE INCOME TAX; TO REGULATE THE GRANT OF TAX EXEMPTION ON IMPORTATIONS BY SUCH INDUSTRIES; TO PROVIDE PENALTIES FOR THE VIOLATION AND/OR MISUSE OF THE GRANT OF SUCH TAX EXEMPTION, AND FOR OTHER PURPOSES.

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

SECTION 1. Section one of Republic Act Numbered Nine hundred one is amended to read as follows:

"SECTION 1. Any person, partnership, company or corporation who or which, subsequent to the approval of this Act, shall engage in a new and necessary industry shall be entitled to exemption until December thirty-one, nineteen hundred and fifty-eight from payment of all taxes directly payable by such person, partnership, company or corporation in respect to said industry and to a diminishing exemption during the following four years as follows: ninety *per centum* of all said taxes during the period from January first to December thirty-one, nineteen hundred and fifty-nine; seventy-five *per centum* of all said taxes during the period from January first to December thirty-one, nineteen hundred and sixty; fifty *per centum* of all said taxes during the period from January first to December thirty-one, nineteen hundred and sixty-one; and ten *per centum* of all said taxes during the period from January first to December thirty-one, nineteen hundred and sixty-two; after which such person, partnership, company, or corporation shall be liable in full to all taxes: *Provided*, That income received by such person, partnership, company or corporation from July first, nineteen hundred and fifty-nine, shall be subject to the full tax provided in Title II of the National Internal Revenue Code: *Provided, further*, That machinery and spare parts thereof, and raw materials of tax-exempt industries shall be exempted from taxes, except the special import tax and new taxes which may hereafter be imposed, if the Secretary of Finance, the Secretary of Commerce and Industry and the Chairman of the National Economic Council, after investigation, find (a) that, considering the capacity of the plant or factory concerned, the said machinery and spare parts, and raw materials are actually needed and will be used exclusively by the grantee in the manufacture of articles covered by the tax exemption and (b) that the foreign exchange allocation and related documents covering the importation are in the name of the importing tax-exempt industry to whom the goods shall be delivered directly by the customs authorities; *Provided, further*, That the