

[REPUBLIC ACT NO. 1855, June 22, 1957]

AN ACT TO PLACE LIFE INSURANCE COMPANIES ON A NEW INCOME TAX BASIS BY AMENDING SECTIONS TWENTY-FOUR AND THIRTY-TWO OF COMMONWEALTH ACT NUMBERED FOUR HUNDRED AND 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 twenty-four of Commonwealth A Numbered Four hundred and sixty-six, otherwise know as the National Internal Revenue Code, as amended, hereby further amended to read as follows:

"SEC. 24. *Rate of Tax on Corporations.*—(A) In gene there shall be levied, assessed, collected, and paid annually upon the total net income received in the preceding taxable year from all sources by every corporation organized in, or existing under the laws of the Philippine matter how created or organized, but not including duly registered general copartnerships (*compañias colectivas*), domestic life insurance companies and foreign life insurance companies doing business in the Philippines, a tax upon such income equal to the sum of the following:

"Twenty *per centum* upon the amount by which total net income does not exceed one hundred thousand pesos; and

"Twenty-eight *per centum* upon the amount by such total net income exceeds one hundred j pesos; and a like tax shall be levied, assessed, collected, and paid annually upon the total net income received in the preceding taxable year from all sources within the Philippines by every corporation organized, authorized, or existing under the laws of any foreign country: *Provided, however,* That Building and Loan Associations operating as such in accordance with sections one hundred an seventy-one to one hundred and ninety of the Corporation Law, as amended, as well as private educational institutions, shall pay a tax of twelve *per centum* and ten *per centum*, respectively, on their total net income: *And, provided, further,* That in the case of dividends received by a domestic or resident foreign corporation from a domestic corporation liable to tax under this Chapter or from a domestic corporation engaged in a new and necessary industry, as defined under Republic Numbered Nine hundred and one, only twenty-five *per centum* thereof shall be returnable for purposes of the tax imposed by this section.

"(B) *Rate of Tax on Life Insurance Companies.*—There shall be levied, assessed, collected and paid annually from every life insurance company