

**[ REPUBLIC ACT NO. 1504, June 16, 1956 ]**

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

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

SECTION 1. Section two hundred fifty-five of Commonwealth Act Numbered four hundred sixty-six, as amended is hereby further amended to read as follows:

"SEC. 255. *Taxes on insurance premiums.*—There shall be collected from every person, company, or corporation (except purely cooperative companies or associations) doing insurance business of any sort in the Philippines a tax of three *per centum* of the total premiums collected, whether such premiums are paid in money, notes, credits, or any substitute for money; but premiums refunded within six months after payment on account of rejection of risk or returned for other reason to person insured shall not be included in the taxable receipts; nor shall any tax be paid upon reinsurance by a company that has already paid the tax; nor upon premiums collected or received by any branch of a domestic corporation, firm or association doing business outside the Philippines on account of any life insurance of the insured who is a non-resident, if any percentage tax on such premiums is imposed by the foreign country where the branch is established.

"Cooperative companies or associations are such as are conducted by the members thereof with the money collected from among themselves and solely for their own protection and not for profit: *Provided, however,* That domestic insurance companies suffering from impairment of capital shall be exempted from the provisions of this section for a period of four years from the passage of this amendatory Act: *And provided, finally,* That domestic insurance companies organized after the passage of this amendatory provision shall pay one *per centum* of the total premium collected within the first five years after their organization and three *per centum* of the premium collected thereafter. The words 'insurance companies suffering from it of capital' as used in this Act shall be construed to mean, those still owing fifty percent or more of their indebtedness as a result of the last war."

SEC. 2. Section two hundred fifty-eight of Commonwealth Act Numbered Four hundred sixty-six, as amended, is hereby further amended to read as follows: