

**[ REPUBLIC ACT NO. 1051, June 12, 1954 ]**

**AN ACT TO REQUIRE ALL BUREAUS, OFFICES, AGENCIES AND INSTRUMENTALITIES OF THE GOVERNMENT, INCLUDING GOVERNMENT OWNED OR CONTROLLED CORPORATIONS, PROVINCES, CITIES AND MUNICIPALITIES, TO DEDUCT AND WITHHOLD FROM ANY MONEY PAYMENT TO PRIVATE INDIVIDUALS, CORPORATIONS, PARTNERSHIPS, AND/OR ASSOCIATIONS, ANY AND ALL TAXES DUE AND PAYABLE ON ACCOUNT OF SAID MONEY PAYMENT.**

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

SECTION 1. All bureaus, offices, agencies and instrumentalities of the government, including government owned or controlled corporations, provinces, cities and municipalities, shall, before making any money payment to private individuals, corporations, partnerships and/or associations, deduct and withhold any and all taxes the amount of which can be fixed, determined, computed or ascertained, due from such individuals, corporations, partnerships and/or associations on account of said money payment: *Provided, however,* That, the deductions and withholding referred to herein shall not be required in case previous payments of the aforesaid tax liability or liabilities had already been made by the corresponding payee.

SEC. 2. The tax liability for which withholding, or of which previous payment is required in section one of this Act includes any and all taxes which can be fixed, determined, computed or ascertained on account of the money payments.

SEC. 3. The Secretary of Finance shall promulgate necessary rules and regulations to implement and effectively carry out the provisions of this Act.

SEC. 4. It shall be unlawful for any public officer or employee, or official or employee of a government owned or controlled corporation to authorize any of the payments mentioned in section one hereof without withholding, or without requiring the previous payment of, the tax liability mentioned in section two hereof. It shall be equally unlawful for any person or persons to induce or connive with any public officer or employee, or official or employee of a government owned or controlled corporation to commit the unlawful act herein denned or to receive any payment in violation of this Act.

SEC. 5. Any violation of this Act shall be punished by a fine not less than one thousand pesos nor more than two thousand pesos and imprisonment for not more than one year: *Provided, That,* in the case of a public officer or employee he shall be further subject to administrative proceedings and, if found guilty, shall be dismissed from the service: *Provided, further,* That in case of aliens, in addition to the penalties provided for in this section, they shall be deported without further