

[REPUBLIC ACT NO. 588, September 22, 1950]

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

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

SECTION. 1. Section one hundred and eighty-four of Commonwealth Act Numbered Four hundred and sixty-six, as last amended by section one of Republic Act Numbered Three hundred and ninety-six, is hereby further amended to read as follows:

"SEC. 184. *Percentage tax on sales of jewelry, automobiles, toilet preparations, and others.*—There shall be levied, assessed, and collected once only on every original sale, barter, exchange, or similar transaction for nominal or valuable considerations intended to transfer ownership of, or title to, the articles herein below enumerated a tax equivalent to fifty *per centum* of the gross value in money of the articles so sold, bartered, exchanged, or transferred, such tax to be paid by the manufacturer, producer, or importer: *Provided*, That where the articles are manufactured out of materials subject to tax under this section, the total cost of such materials, as duly established, shall be deductible from the gross selling price or gross value in money of the manufactured articles:

"(a) Automobile chassis and bodies, the selling price of which exceeds five thousand pesos but does not exceed seven thousand pesos: *Provided*, That where the selling price of an automobile exceeds seven thousand pesos the same shall be taxed at the rate of seventy-five per centum of such selling price. A sale of automobile shall, for the purpose of this section, be considered to be a sale of the chassis and of the body together with parts and accessories with which the same are usually equipped;

"(b) All articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with, precious metals or imitations thereof or ivory (not including surgical instruments, silver-plated ware, frames or mountings for spectacles or eyeglasses, and dental gold or gold alloys and other precious metals used in filling, mounting or fitting of the teeth) ; opera glasses, and lorgnettes;

"(c) Perfumes, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hairdressings, hair restoratives, hair dyes, and any similar substance, article, or preparations, by whatsoever name

known or distinguished, except tooth and mouth washes, dentrifices, tooth paste, and talcum or medicated toilet powders; and any of the above which are used or applied or intended to be used or applied for toilet purposes: *Provided*, That the tax herein imposed shall not apply to toilet preparations on which the specific tax established in section one hundred and twenty-seven has been paid;

"(d) Dice and mahjong sets;

"(e) Beauty parlor equipment and accessories; and

"(f) Polo mallets and balls; golf bags, clubs and balls; and chess and checker boards and pieces."

SEC. 2. Section one hundred and eighty-five of Commonwealth Act Numbered Four hundred and sixty-six, as last amended by Republic Act Numbered Three hundred and ninety-six, is hereby further amended to read as follows:

"SEC. 185. *Percentage tax on sales of automobiles, sporting goods, refrigerators, and others.*—There shall be levied, assessed, and collected once only on every original sale, barter, exchange, or similar transaction intended to transfer ownership of, or title to, the articles herein below enumerated, a tax equivalent to thirty *per centum* of the gross selling price or gross value in money of the articles so sold, bartered, exchanged or transferred, such, tax to be paid by the manufacturer, producer, or importer: *Provided*, That where articles are manufactured out of materials subject to tax under this section and section one hundred and eighty-six, the total cost of such materials, as duly established, shall be deductible from the gross selling price or gross value in money of the manufactured articles:

"(a) Automobile chassis and bodies, the selling price of which does not exceed five thousand pesos. A sale of automobile shall, for the purposes of this section, be considered to be a sale of the chassis and of the body together with parts and accessories with which the same are usually equipped;

"(b) Watches and clocks, the value of which exceeds fifty pesos each; marine glasses, field glasses, binoculars; and cinematographic films of not more than eight millimeters in width;

"(c) Fishing rods and reels;

"(d) Celluloid and bakelite;

"(e) Refrigerators of more than seven cubic feet: *Pro-vided*, That refrigerators of seven cubic feet or less shall be taxed at the rate of twenty per centum of the selling price;

"(f) Beverage coolers, ice cream cabinets, water coolers, food and beverage storage cabinets, ice making machines, and mild cooler cabinets, each such article having or being primarily designed for use

with, a mechanical refrigerating unit operated by electricity, gas, kerosene, or other means;

"(g) Phonographs; combination radio and phonograph sets; phonograph records; juke boxes, gramophones and similar articles for reproducing music;

"(h) Firearms, parts and accessories; and cartridges or other forms of ammunition: Provided, however, That no tax shall be collected on firearms and cartridges or other forms of ammunition sold and delivered directly to the Philippine Army for their actual use or issue;

"(i) Electric fans and air circulators (except those specially adopted for industrial use); electric, gas or oil water heaters; electric flat irons, electric, gas or oil appliances of the type used for cooking, warming, or keeping warm food or beverage for consumption on the premises; electric mixers, whippers, and juicers; and household type electric vacuum cleaners: Provided, That electric flat irons the selling price of which does not exceed fifty pesos, shall be taxed at the rate of twenty per centum.

"(j) Unexposed photographic films (including motion picture films but not including X-Ray films), photographic plates and sensitized paper; photographic apparatus and equipment; and any apparatus or equipment designed especially for use in the taking of photographs or motion picture or in the developing, printing, or enlarging of photographs or motion picture films. Under this classification, the tax shall be twenty per centum.

"(h) Neon-tube signs, electric signs, and electric advertising devices;

"(i) Washing machines of all types;

"(m) Air-conditioning units and parts or accessories thereof;

"(n) Mechanical lighters;

"(o) Upholstered furniture (except rattan) ; tables, desks, chairs, showcases, bookcases, lockers, and cabinets (other than filing cabinets) of which wood, rattan or bamboo is not the component material of chief value, but not including iron or steel chairs and tables costing not more than six pesos each and medical or dental equipment or apparatus;

"(p) Textiles in the piece, wholly or in chief value of silk, wool, linen or nylon; wool and silk hats; and furs and manufactures thereof;

"(q) Fountain pens and parts or accessories thereof the gross selling price of which exceeds fifteen pesos: *Provided*, That if their selling price does not exceed fifteen pesos, they shall be taxed at the rate prescribed in section one hundred and eighty-six hereof."

SEC. 3. Section one hundred and eighty-six of Commonwealth Act Numbered Four hundred and sixty-six, as amended by section three of Republic Act Numbered Forty-one, is hereby further amended to read as follows:

"SEC. 186. *Percentage tax on sales of other articles.*— There shall be levied, assessed, and collected once only on every original sale, barter, exchange, and similar transaction either for nominal or valuable considerations to transfer ownership of, or title to, the articles not enumerated in section one hundred and eighty-four and one hundred and eighty-five a tax equivalent to seven per centum of the gross selling price or gross value in money of the articles so sold, bartered, exchanged, or transferred, such tax to be paid by the manufacturer, producer, or importer: *Provided*, That where the articles are manufactured out of materials, subject to tax under this section, the total cost of such materials, as duly established, shall be deductible from the gross selling price or gross value in money of the manufactured articles: *And provided, further*, That with respect to all forest products, whether manufactured or in the original form, a tax equivalent to five per centum only of the selling price or gross value in money shall be levied, assessed, and collected.

"In the case of operators or proprietors of sawmills, who buy logs for the purpose of sawing and/or cutting them into lumber of standard sizes, the tax prescribed in this section shall be computed on thirty-three and one-third *per centum* of the gross cost of logs purchased during any given quarter intended for manufacture. Operators or proprietors of sawmills entitled to the privilege of paying the tax on thirty-three and one-third *per centum* of the gross cost of the logs purchased by them shall keep a complete record of their transactions, specially their purchase of logs together with the corresponding vouchers, such as official and auxiliary invoices, or the commercial invoices of the producers from whom they purchased the logs, in cases where the logs purchased constitute merely a portion of the logs covered by an official invoice, in which commercial invoices the assessment numbers of the official invoices covering the logs and the names and addresses of the vendors shall be indicated. They shall also keep a complete record of lumber purchased by them for resale."

SEC. 4. Section one hundred and ninety-one of Commonwealth Act Numbered Four hundred and sixty-six, as last amended by section one of Republic Act Numbered Thirty-nine, is hereby further amended to read as follows:

"SEC. 191. *Percentage tax on road, building, irrigation, artesian well, waterworks, and other construction work contractors, proprietors or operators of dockyards, and others.*—Road, building, irrigation, artesian well, waterworks, and other construction work contractors; filling contractors; persons engaged in the installation of gas, or electric light, heat, or power; persons selling light, heat, or power, except those paying a franchise tax; proprietors or operators of dockyards, mine drilling apparatus, smelting plants, engraving plants, plating establishments, dry-cleaning or dyeing establishments, steam laundries, photographic studios, telephone or telegraph lines or exchanges, broadcasting or wireless stations, funeral parlors, shops for the construction or repair of