

**[ REPUBLIC ACT NO. 39, October 01, 1946 ]**

**AN ACT AMENDING OR REPEALING CERTAIN SECTIONS OF  
TITLES V AND VIII OF 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 ninety-one of Commonwealth Act Number Four hundred and sixty-six is hereby 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 studies, telephone or telegraph lines or exchanges, broadcasting or wireless stations, funeral parlors, shops for the construction or repair of bicycles or vehicles of any kind, mechanical devices, instruments, apparatus, or furniture of any kind, and tailor shops, beauty parlors; dressmakers; milliners; hatters; keepers of hotels, lodging houses; stevedores; warehousemen; plumbers; smiths; house or sign painters; lithographers; publishers, except those engaged in the publication or printing and publication of any newspaper, magazines, review, or bulletin which appears at regular intervals, with fixed prices for subscription and sale, and which is not devoted principally to the publication of advertisements; printers; and bookbinders, shall pay a tax equivalent to two *per centum* of their gross receipts.

"Keepers or restaurants, refreshment parlors and other eating places shall pay a tax of three *per centum* and keepers of bars and cafes where wines of liquors are served, five *per centum*, of their gross receipts. Where such establishments are maintained within the premises or compound of a race-track or jai-alai, or are accessible to patrons of such race-track or jai-alai by means of a connecting door or passage, the keepers of such establishments shall pay a tax of twenty *per centum* of their gross receipts. Where the establishments is maintained within the premises of a cabaret or night-club, or are accessible to patrons thereof by means of a connecting door or passage, the keeper of the establishment shall pay a tax of ten *per centum* of the gross receipts.

"Contractors or others whose gross receipts do not exceed two hundred pesos each quarter shall be exempt from the payment of the taxes provided for in this section. Owners or operators of business covered by franchises shall likewise be exempt from the tax imposed in the first paragraph of this section."

SEC. 2. Section one hundred and ninety-two of Commonwealth Act Numbered Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 192. *Percentage tax on carriers and keepers of garages.*—Keepers of garages, transportation contractors, persons who transport passengers or freight for hire, and common carriers by land, air, or water, except owners of bancas, and owners of animal drawn two-wheeled vehicles, shall pay a tax equivalent to two *per centum* of their gross receipts: *Provided*, That those whose gross receipts do not exceed two hundred pesos each quarter shall be exempt from the payment of the tax provided for in this section.

SEC. 3. The heading of Chapter I, Title VIII, and section two hundred and forty-nine of Commonwealth Act Numbered Four hundred and sixty-six are hereby amended to read as follows:

#### **"Chapter I.—Tax on Banks**

"SEC. 249. *Tax on banks.*—There shall be collected a tax of five *per centum* on the gross receipts derived by all banks doing business in the Philippines from interests, discounts, dividends, commissions, profits from exchange, royalties, rentals or property, real and personal, and all other items treated as gross income under section twenty-nine of this code.

There shall be collected upon the amount of reserve deficiencies incurred by the bank, and for the period of their duration, as provided in section one hundred and twenty-six of Act Numbered One thousand four hundred and fifty-nine, as amended by Act Numbered Three thousand six hundred and ten, one *per centum* per month.

"Bank," as herein used, includes every incorporated or other bank, and every person, association, or company having a place of business where credits are opened by the deposit or collection of money or currency subject to be paid or remitted upon draft, check, or order, or where money is advanced or loaned on stocks, bonds, bullion, bills of exchange, or promissory notes, are received for discount or for sale."

SEC. 4. Section two hundred and fifty of Commonwealth Act Numbered Four hundred and sixty-six is hereby amended to read as follows:

"SEC. 250. *Times for payment of tax—Increase of tax in case of delinquency.*—The tax imposed in the next preceding section shall be payable at the end of each calendar quarter and it shall be the duty of every bank, within twenty days after the end of each calendar quarter, to make a true and complete return of the amount of gross income derived during the preceding calendar quarter and pay the tax due thereon and if