

[EXECUTIVE ORDER NO. 40, August 22, 1986]

**FURTHER AMENDING SECTION 163 OF THE NATIONAL INTERNAL
REVENUE CODE, AS AMENDED**

WHEREAS, books are indispensable in the pursuit of knowledge and education;

WHEREAS, imported textbooks, pocketbooks and bestsellers, and other similar publications are classified in the National Internal Revenue Code, as amended, as other articles Subject to a sales tax higher than the sales tax or essential articles;

WHEREAS, the reclassification of imported books as essential articles will result in the reduction of their prices, and thereby promote their wide readership and use in our society;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, do hereby order:

SECTION 1. Section 163, paragraph (2), of the National Internal Revenue Code, as amended, is hereby further amended by adding in the enumeration therein subparagraph (o) to read as follows:

"(o) Books (such as textbooks, pocketbooks, and bestsellers, including similar publications). The term books includes any species of publication which the author selects to embody his literary product."

SECTION 2. The Minister of Finance, upon recommendation of the Commissioner of Internal Revenue, shall promulgate the necessary rules and regulations to implement this Executive Order.

SECTION 3. All laws, orders, issuances, and rules and regulations or parts thereof inconsistent with this Executive Order are hereby repealed or modified accordingly.

SECTION 4. This Executive Order shall take effect immediately.

Done in the City of Manila, this 22nd day of August in the year of Our Lord, nineteen hundred and eighty-six.

(Sgd.) CORAZON C. AQUINO
President of the Philippines

By the President:

(Sgd.) JOKER P. ARROYO
Executive Secretary
