

[Act No. 3995, December 05, 1932]

AN ACT TO REVISE AND COMPILE THE ASSESSMENT LAW, PROVIDE FOR A SPECIAL, ASSESSMENT FOR CERTAIN PURPOSES, AND ESTABLISH PENALTIES FOR FAILURE TO COMPLY WITH SOME OF ITS PROVISIONS.

Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

PRELIMINARY ARTICLE.—*Title of Act*

SECTION 1. *Title of this Act.*—This Act shall be known as the Assessment Law.

ARTICLE II.—*General provisions*

SEC. 2. *Incidence of real-property tax.*—In all parts of the Islands other than the cities of Manila and Baguio there shall be levied, assessed, and collected, an annual ad valorem tax on real property, including land, buildings, and other improvements not hereinafter specifically exempted.

SEC. 3. *Property exempt from tax.*—The exemptions shall be as follows:

- a. Property owned by the United States of America, the Government of the Philippine Islands, or by any province or municipality in the Philippine Islands.
- b. Cemeteries or burial grounds.
- c. Churches and parsonages or conventos appurtenant thereto, and all lands, buildings, and improvements used exclusively for religious, charitable, scientific, or educational purposes; but this exemption shall not extend to property held for investment, or which produces income, even though the income be devoted to some or more of the purposes above specified.
- d. When the entire assessed valuation of real property in any one municipality belonging to a single owner, shall be less than the sum of one hundred pesos, the tax thereon shall not be collected, nor shall the tax be collected on a dwelling house built on the field, nor on an adjacent orchard, if any, as improvement, if the assessed value of each, assessed separately, is not in excess of one hundred pesos, though in any event the property shall be valued for the purposes of assessment and record shall be kept thereof as in other cases.
- e. Land held by a homesteader under an application filed in accordance with law, prior to the approval by the Director of Lands of the final evidence, as required by Act Numbered Twenty-eight hundred and seventy-four; but this exemption does not extend to buildings and improvements thereon the title to which is not in the Government.
- f. Machinery, which term shall embrace machines, mechanical contrivances, instruments, tools, implements, appliances, and apparatus used for industrial,

agricultural, or manufacturing purposes.

- g. Fruit trees and bamboo plants, except where the land upon which they grow is planted principally to such growth.

SEC. 4. *Principle governing valuation and assessments.*—All real property subject to taxation under the provisions of this Act shall be valued and assessed for taxation at its true and full value in accordance with the schedule of values in force in the municipality wherein it is situated. So far as properly applicable such schedule shall be controlling; but where the property to be assessed is of a kind not classified in the schedule or of a kind for which a value is not therein fixed, it shall be assessed at its full and true value, independently of such schedule.

SEC. 5. *Division of proceeds of assessment between municipalities and provinces.*—The proceeds of the real-property tax shall be applied to the use and benefit of the respective provinces and municipalities wherein the property liable to such tax is situated. The share of a province in said tax shall be levied by the provincial board thereof, whose duty it shall be, on or before the thirty-first day of December of each year, to fix by resolution an uniform rate of taxation for the succeeding year, in an amount not less than one-eighth nor more than three-eighths of one per centum, as far as regularly organized provinces are concerned, and four-eighths per centum in the case of specially organized provinces.

The share of a municipality shall in the same manner be levied by ordinance of the municipal council thereof in an amount not less than one-fourth nor more than one-half of one per centum, as far as municipalities in regularly organized provinces are concerned, and five-eighths per centum in the case of municipalities in specially organized provinces.

The resolutions of the provincial board and the municipal ordinances fixing the rate of land tax shall remain in force for succeeding years unless said resolutions and ordinances are amended or revoked.

SEC. 6. *Special application of portions of proceeds of tax.*—The gross proceeds of the first one-eighth of one per centum levied or imposed for provincial purposes shall accrue, in a regularly organized province, exclusively to its road and bridge fund, and in a specially organized province, exclusively to its road and public works fund: *Provided*, That the proceeds of said first one-eighth of one per centum levied or imposed for provincial purposes and collected in municipalities, barrios, and sitios situated on islands not benefited by the construction and maintenance of local roads maintained with provincial funds, shall hereafter be applied to school purposes or for the construction and maintenance of local roads or any other local improvements, as the municipal council concerned may determine. The gross proceeds of the remaining two-eighths or three-eighths per centum, as the case may be, or any part thereof, levied for provincial purposes shall accrue to the general fund of the province.

The gross proceeds of the first one-fourth of one per centum levied or imposed for municipal purposes shall accrue exclusively to the school fund of the municipality. The gross proceeds of the remaining one-fourth or three-eighths of one per centum, as the case may be, or any part thereof, levied for municipal purposes shall accrue

to the general fund of the municipality.

ARTICLE III.—*The provincial assessor and his powers*

SEC. 7. *Provincial assessor, his deputy, appointment and powers of latter.*—There shall be a provincial assessor wherever there is real property subject to the annual ad valorem tax.

Except as otherwise specially provided, the provincial assessor or his deputy shall be appointed by the proper Department head upon nomination of the provincial board. He shall be a resident of the province to which appointed, and his salary shall be as fixed by the provincial board, with the approval of the Department head.

The positions of assessor and deputy assessor shall not be primarily subject to the provisions of the Civil Service Law; but if any civil-service employee should be transferred to such position, his civil-service status and privileges shall not be thereby suspended or impaired.

A Government officer or employee appointed to the position of assessor or deputy assessor may be allowed additional compensation for his services in such capacity which shall be fixed in his appointment.

The oath of office of a provincial assessor and deputy assessor shall contain a statement to the effect that the affiant will appraise the real property subject to taxation in the province at its true value in money, as required by law.

The provincial assessor shall be the officer in charge of assessment in the province. In the performance of the duties devolving upon the provincial assessor, he shall be authorized from time to time as occasion may require, and subject to the provisions of this Act and of any lawful regulations pursuant thereto:

- a. To establish a systematic method of assessment.
- b. To prepare a map showing graphically all property subject to the tax in his province and gather all data concerning the same.
- c. To keep a record of all transfers of land, leases and mortgages of real property, rentals, insurance, and cost of construction of buildings and other improvements on land for assessment purposes.
- d. To receive proper declarations of property not previously declared by the owner, or to make official declarations therefor, as the case may require.
- e. To fix the value of real property not previously assessed and to assess the same for taxation according to law.
- f. To cancel the declaration of an original owner of property which has changed ownership and to substitute therefor the new declaration in the name of the new owner.
- g. To cancel, in case that more than one declaration of the same property is received, all except the one properly made; but if any declarant shall object to

the cancellation of his declaration, such declaration shall not be canceled but the fact shall be noted thereon and in the proper book of record, and similar notation shall be made on the duplicate declaration. In this case, preference shall be given to the declaration of the person who has the best title to the property, or, in default thereof, to the person who has possession of the property.

- h. To cancel, raise, or lower, as the case may require the assessment of any parcel or item of real property in any municipality or of the property of any owner or owners therein whenever it appears that the existing assessment, whether originally proper or not, does not conform to the requirements of law, but no assessment shall be lowered or cancelled without the previous approval of the municipal council. In case of disagreement between the assessor and the council, the matter may be taken in appeal to the provincial board within thirty days after receipt of the notice by the owner of the property, and the decision of the board shall be final.

In the exercise of this power, the provincial assessor shall eliminate from the list of taxable property all property which, being exempt, has been improperly included in the same; upon recommendation of the municipal council he shall decrease the assessment where property previously assessed has suffered a permanent loss of value by reason of storm, flood, fire, or other casualty; and shall increase the assessment where taxable improvements have been made upon property subsequent to the last previous assessment.

SEC. 8. Preparation of schedules of values by the assessor.—Before any general assessment revision is made in a province or any municipality thereof, the provincial assessor shall prepare, in such form and detail as shall be prescribed by the Secretary of the Interior, a general schedule of the values of the different classes of land and real property in each municipality of the province, which shall be submitted to the municipal council concerned, and it shall be the duty of such council to approve or disapprove the same, or any part thereof, within thirty days after receipt thereof, and to transmit its action and all papers thereto belonging to the provincial board, which body shall approve, disapprove, or modify such action within thirty days after receipt of the schedule. Said schedule shall, on its approval by the provincial board, serve the assessor as basis of valuations for assessment. Should the provincial assessor or municipal council not be satisfied with the action of the provincial board, such council or provincial assessor may appeal to the Secretary of the Interior, in which case the provincial board shall forward the schedule to that official within thirty days after receipt thereof, stating the reasons on which the decision is based. The decision of the secretary of the Interior in this case shall be final.

SEC. 9. General revision of values of property subject to tax.—When so directed by the provincial board, the provincial assessor shall make a general revision of real property values in his province or in any municipality thereof, and shall make a new assessment or revised assessment thereof according to law. A general assessment revision shall not be made more frequently than once in two years.

SEC. 10. Certification of revised values to provincial board.—When the provincial assessor shall finish a general revision of the assessments for any municipality he shall so certify to the provincial board, and the assessment shall become effective

and taxes shall accrue and be payable thereunder commencing with the year next ensuing.

SEC. 11. *Amending schedules of values.*—For the correction of errors or inequalities in any schedule of values, the provincial board may at any time, require the provincial assessor to prepare an amendment designed to remedy such errors or inequalities. Such amendments shall be subject to the same conditions as to preparation, modification, and appeal as general schedules.

SEC. 12. *Declaration to be prepared by owner of real property.*—It shall be the duty of every owner of real property within a municipality or his duly authorized representative, to prepare, or cause to be prepared, and submit to the provincial assessor a declaration of said property stating the value of each parcel thereof which he owns within the municipality. Such declaration shall contain a description of the property sufficient in detail to enable the provincial assessor to identify the same.

It shall also be the duty of any person acquiring at any time real property in any municipality or making any improvement on real property belonging to him, to prepare and the provincial assessor, within sixty days after the acquisition of such property or the completion of the improvement, a declaration containing the value of the real property so acquired or of the improvement made. The property and improvement must be so described as to enable the provincial assessor to identify the same on examination.

He shall subscribe the declaration and verify the same on oath, free of charge, before the municipal secretary of the municipality or before the provincial assessor, or if not conveniently accessible to one of these, before the municipal president or any other person authorized to administer oaths.

SEC. 13. *When a new declaration need not be made.*—When any real property has been attached or forfeited to the provincial government for delinquent taxes, no other declaration on the same shall be accepted as valid unless the property has been previously redeemed or repurchased or until it has been sold to a third party, in accordance with sections thirty-seven, forty, and forty-three of this Act.

SEC. 14. *Assessment of property subject to back taxes.*—Real property declared for the first time shall have back taxes assessed against it for the period during which it would have been liable if assessed from the first in proper course but not in any case for more than one year prior to the year of the initial assessment. But real property, part of the area or improvements of which are declared for the first time, will not be subject to taxation on such newly declared area or improvements till the year following that of assessment.

If said taxes are paid before the expiration of the tax collection period next ensuing, no penalty for delinquency shall be imposed, but if they be not so paid the property shall be subject to all the penalties to which it would have been liable had it originally become delinquent after assessment in usual course.

SEC. 15. *Declaration made by assessor for owner.*—When real property is found in any municipality the owner of which refuses or fails to make the required declaration, the provincial assessor shall himself declare the property in the name of