

[Act No. 3605, December 02, 1929]

AN ACT TO AMEND SEVERAL SECTIONS OF ACT NUMBERED TWENTY-EIGHT HUNDRED AND THIRTY-THREE, ENTITLED "AN ACT ESTABLISHING THE INCOME TAX, MAKING OTHER PROVISIONS RELATING TO SAID TAX, AND AMENDING CERTAIN SECTIONS OF ACT NUMBERED TWENTY-SEVEN HUNDRED AND ELEVEN," AS AMENDED BY ACTS NUMBERED TWENTY-NINE HUNDRED AND TWENTY-SIX AND THIRTY HUNDRED AND TWENTY-SIX.

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

SECTION 1. Section eight of Act Numbered Twenty-eight hundred and thirty-three, as amended by section six of Act Numbered Twenty-nine hundred and twenty-six, is hereby further amended so as to read as follows:

"SEC. 8. (a) The tax shall be computed upon the net income, ascertained in accordance with the foregoing provisions, of each person subject thereto, received in each preceding calendar year ending December thirty-first.

"(b) On or before the first day of March, nineteen hundred and thirty, and the first day of March in each year thereafter, a true and accurate return under oath shall be made by each person of lawful age, except as hereinafter provided, having an income of four thousand pesos or over for the taxable year to the Collector of Internal Revenue or treasurer of the province, city, or municipality in which such person has his legal residence or principal place of business, or if there be no legal residence or place of business in the Philippine Islands then with the Collector of Internal Revenue in such form and manner as the latter, with the approval of the Secretary of Finance, shall prescribe, setting forth specifically the gross amount of income from all separate sources and deducting from the total thereof the aggregate items of allowances authorized in this Act: *Provided*, That the Collector of Internal Revenue shall have authority to grant a reasonable extension of time, in meritorious cases, for filing returns of income: *Provided, further*, That the aforesaid return maybe made by a representative when by reason of illness, absence, or nonresidence, the person liable for filing said return is unable to make and render the same, the principal and his representative assuming the responsibility of making the return and incurring penalties provided for erroneous, false, or fraudulent returns.

"(c) Guardians, trustees, executors, administrators, receivers, conservators, and all persons, corporations, partnerships, joint-accounts (*cuentas en participation*), or associations, acting in any fiduciary capacity, shall render a return of the income of the person, trust, or estate for whom or which they act, and be subject to all the provisions of this Law which apply to individuals. Such fiduciary or the person filing the return for him or it, shall,, take oath that he has sufficient knowledge of the affairs; of such person, trust, or estate to enable him to make such

return and that the same is, to the best of his knowledge and belief, true and correct, and be subject to all the provisions of this Law which apply to individuals: *Provided*, That a return made by or for one of two or more joint fiduciaries filed in the province where such fiduciary resides, under such regulations as the Collector of Internal Revenue with the approval of the Secretary of Finance may prescribe, shall be a sufficient compliance with the requirements of this paragraph.

"(d) The income of unmarried minors derived from property received from a living parent shall be included in the return of the parent.

"(e) Persons carrying on business in general co-partnership (*compañia colectiva*) duly registered in the mercantile registry shall be liable for income tax only in their individual capacity, and the share of the profits of the registered general co-partnership (*compañia colectiva*), to which any taxable partner would be entitled, whether divided or otherwise, shall be returned for taxation and the tax, normal and additional, paid in accordance with the provisions of this Act: *Provided*, That from the net distributive shares on which the individual members shall be liable for tax, normal and additional, there shall be excluded their proportionate shares received from interests on obligations of the United States to the extent provided in the Act, authorizing the issue thereof; and from interests upon the obligations of the Government of the Philippine Islands or any political subdivision thereof, issued before January first, nineteen hundred nineteen; but in the case of such obligations issued on or after January first, nineteen hundred and nineteen, only to the extent provided in the Act authorizing the issue thereof, and that for the purposes of computing the normal tax there shall be allowed a credit for their proportionate shares of the profits derived from the dividends or net profits subject to the tax established in subsection (a) of section ten. Such registered general co-partnership (*compania colectiva*), when requested by the Collector of Internal Revenue or his authorized deputies, shall render a correct return of its earnings, profits and income, except income exempt under section four of this Act, setting forth the item of the gross income and the deductions and credits allowed by this Law, and the names and addresses of the individuals who would be entitled to the net earnings, profits, and income, if distributed. A registered general co-partnership (*compañia colectiva*) shall have the same privilege of fixing its own fiscal year and making returns upon the basis of the same as accorded to corporations.

"(f) An individual keeping accounts upon any basis any other than that of actual receipts and disbursements, unless such other basis does not clearly reflect his income, may, subject to regulations made by the Collector of Internal Revenue, with the approval of the Secretary of Finance, make his return upon the basis upon which his accounts are kept, and the tax shall be computed upon his income as so returned."

SEC. 2. Paragraphs third of subsections (a) and (b) of section twelve of Act Numbered Twenty-eight hundred and thirty-three are hereby amended so as to read as follows: