

[Act No. 3243, November 27, 1925]

AN ACT TO ESTABLISH A PERCENTAGE TAX ON THE BUSINESS OF THE MERCHANTS, MANUFACTURERS, AND COMMISSION MERCHANTS, AND FOR OTHER PURPOSES

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. All merchants, manufacturers, and commission merchants not otherwise specifically exempted according to the provisions of the present Internal Revenue Law shall, in addition to similar taxes heretofore imposed, pay an additional tax of one-half of one per centum on the gross value in money of the commodities, goods, wares, and merchandise sold, bartered, exchanged, or consigned abroad by them, such tax to be based on the actual selling price or value of the things in question at the time they are disposed of or consigned, whether consisting of raw material or of manufactured or partially manufactured products, and whether of domestic or foreign origin. The tax upon things consigned abroad shall be refunded upon satisfactory proof of the return thereof to the Philippine Islands unsold.

SEC. 2. All administrative, special, general, and penal provisions of law, including the laws in relation to the assessment, remission, collection, and refund of internal-revenue taxes applicable to business subject to the merchant's sales tax are hereby extended and made applicable to all the provisions of this Act.

SEC. 3. Ten per centum of the tax collected under this Act shall be distributed among the provinces and municipalities in accordance with the provisions of section four hundred and ninety-six of the Administrative Code, five per centum accruing to the provinces, and the other five to the municipalities.

SEC. 4. This Act shall take effect on January first, nineteen hundred and twenty-six.

Approved, November 27, 1925.



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