

[Act No. 3031, March 09, 1922]

AN ACT TO AMEND CERTAIN SECTIONS OF THE ADMINISTRATIVE CODE RELATIVE TO THE TAXES ON INHERITANCES, 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. Section fifteen hundred and thirty-six of Act Numbered Twenty-seven hundred and eleven, as amended by Act Numbered Twenty-eight hundred and thirty-five, is hereby further amended to read as follows:

"SEC. 1536. *Conditions and rate of taxation.*—Every transmission by virtue of inheritance, devise, bequest, gift *mortis causa* or advance in anticipation of inheritance, devise, or bequest of real property located in the Philippine Islands and real rights in such property; of any franchise which must be exercised in the Philippine Islands; of any shares, obligations, or bonds issued by any corporation or *sociedad anonima* organized or constituted in the Philippine Islands in accordance with its laws; of any shares or rights in any partnership, business or industry established in the Philippine Islands or of any personal property located in the Philippine Islands shall be subject to the following tax:

(a) When the surviving spouse, a legitimate, recognized natural or adopted child or legitimate descendant of any of them is the beneficiary, there shall be collected upon the share which corresponds to each beneficiary in the inventoried property a tax according to following schedule:

"One per centum upon the first ten thousand pesos; two per centum upon the amount by which such share exceeds ten thousand pesos and does not exceed thirty thousand pesos; three per centum upon the amount by which such share exceeds thirty thousand pesos and does not exceed sixty thousand pesos; four per centum upon the amount by which such share exceeds sixty thousand pesos and does not exceed one hundred thousand pesos; five per centum upon the amount by which such share exceeds one hundred thousand pesos and does not exceed one hundred and fifty thousand pesos; six per centum upon the amount by which such share exceeds one hundred and fifty thousand pesos and does not exceed two hundred and fifty thousand pesos; seven per centum upon the amount by which such share exceeds two hundred and fifty thousand pesos and does not exceed four hundred thousand pesos; eight per centum upon the amount by which such share exceeds four hundred thousand pesos and does not exceed six hundred thousand pesos; nine per centum upon the amount by which such share exceeds six hundred thousand pesos and does not exceed one million pesos; ten per centum upon the amount by which such share exceeds one million pesos and does not exceed one million five hundred thousand pesos; eleven per centum upon the amount by which such

share exceeds one million five hundred thousand pesos and does not exceed two million five hundred thousand pesos; twelve per centum upon the amount by which such share exceeds two million five hundred thousand pesos and does not exceed four million pesos; thirteen per centum upon the amount by which such share exceeds four million pesos and does not exceed six million pesos; fourteen per centum upon the amount by which such share exceeds six million pesos and does not exceed ten million pesos; and fifteen per centum upon the amount by which such share exceeds ten million pesos and does not exceed fifteen million pesos; and sixteen per centum upon the amount by which such share exceeds fifteen million pesos.

"(b) When either of the legitimate parents of the deceased, a legitimate brother or a sister of the same, the father or mother who had recognized him as a natural child or any descendant not included in the next preceding paragraph, is the beneficiary there shall be collected the same tax fixed in the paragraph next preceding with an increase of one hundred per centum.

"(c) When other relatives not included in the two next preceding subsections are beneficiaries there shall be collected the tax fixed in subsection (a) with an increase of two hundred per centum.

"(d) When strangers are beneficiaries there shall be collected the tax fixed in subsection (a) with an increase of three hundred per centum, stranger being deemed, for the purposes of this tax, those relatives by consanguinity of the seventh or more remote degree in the collateral line, and all relatives by affinity with the exception of the spouse: *Provided*, That in cases of property which by the will of the testator should be divided among the poor, without the designation of any particular persons, or which should be disposed of for masses and pious works for the benefit of his soul there shall be collected the tax at the rate fixed in this paragraph upon the total amount of said property.

"In case the property is transmitted to the heirs subject to the usufructuary interest, use or habitation or annuity of a third person, the tax shall be based on the value of the inventoried property less that of the usufruct, use or habitation or annuity determined as hereinafter provided."

SEC. 2. Section fifteen hundred and forty-two of the same Act, as amended, is hereby further amended to read as follows:

"SEC. 1542. *Determination of value of usufructs, annuities, and real property.*—In order to determine the value of the right of usufruct, use or habitation, as well as that of annuity, there shall be taken into account the probable life of the beneficiary in accordance with the American Tropical Experience Table, calculated at eight per centum annual interest. For the purpose of determining the value of real property, the assessed value as shown by the tax rolls shall be taken as