

[Act No. 2541., December 21, 1915]

AN ACT TO AMEND ACT NUMBERED TWENTY-THREE HUNDRED AND THIRTY-NINE, KNOWN AS THE INTERNAL REVENUE LAW OF NINETEEN HUNDRED AND FOURTEEN, BY CHANGING THE RATES OF TAXES AND ADDITIONAL TAXES, CREATING NEW TAXES, ABOLISHING OTHERS, AND FOR OTHER PURPOSES.

By authority of the United States, be it enacted by the Philippine Legislature, that:

SECTION 1. Section thirty-eight of Act Numbered Twenty-three hundred and thirty-nine is hereby amended to read as follows:

"SEC. 38. *Fixed tax upon businesses subject to the percentage tax.*-With the exception of the persons mentioned in subsections (b) and (c) of section forty of this Act, every person engaging in a business on which the percentage tax is imposed shall pay a fixed annual tax of two pesos. This tax shall be payable for each calendar year or fraction thereof in which such person shall engage in said business. If his receipts do not come up to the minimum limit established for the percentage tax, he may continue in business without further tax until the first day of the next following year. In any case the amount of his business must be reported quarterly as required in the next succeeding section.

"The fixed annual tax shall be payable before the person subject to the same begins to engage in the business, and thereafter within the regulation period in the month of January during which the other fixed privilege taxes may be paid without penalty."

SEC. 2. Section forty of Act Numbered Twenty-three hundred and thirty-nine is hereby amended to read as follows:

"SEC. 40. *Percentage tax on merchants' sales.*-All merchants not herein specifically exempted shall pay a tax of one per cent on the gross value in money of the commodities, goods, wares, and merchandise sold, bartered, or exchanged by them, such tax to be based on the actual selling price or value at which the things in question are disposed of, whether consisting of raw material or of manufactured or partially manufactured products, and whether of domestic or foreign origin. The following shall be exempt from this tax:

" (a) Persons engaged in public market places in the sale of food products at retail, and other small merchants whose gross quarterly sales do not exceed two hundred pesos;

" (b) Peddlers and sellers at fixed stands of fruit, produce, and food, raw or otherwise, the total selling value whereof does not exceed three pesos per day and who do not renew their stock oftener than once every twenty-four hours;

" (c) Producers of commodities of all classes working in their own homes, consisting of parents and children living as one family, when the value of each day's production by each person capable of working is not in excess of one peso.

" 'Merchant,' as here used, means a person engaged in the sale, barter, or exchange of personal property of whatever character. Except as specially provided, the term includes manufacturers who sell articles of their own production and commission merchants having establishments of their own for the keeping and disposal of goods of which sales or exchanges are effected, but does not include merchandise brokers."

SEC. 3. Section forty-one of Act Numbered Twenty-three hundred and thirty-nine is hereby amended to read as follows:

"SEC. 41. *Sales not subject to merchants' tax.*-In computing the tax above imposed, transactions in the following commodities shall be excluded:

"(a) Things subject to a specific tax;

"(b) Agricultural products when sold by the producer or owner of the land where grown, or by any other person other than a merchant or commission merchant, whether in their original state or not."

SEC. 4. Section forty-two of Act Numbered Twenty-three hundred and thirty-nine is hereby amended to read as follows:

"SEC. 42. *Percentage tax on printers and 'publishers.*- Printers and publishers shall pay a tax equivalent to one jrg per cent of their gross receipts; but persons engaged in the publication or printing and publication of any newspaper, magazine, review, or bulletin appearing at regular intervals and having fixed prices for subscription and sale shall not be taxed on receipts from sales of, subscription to, or advertisements in such publication; but this exemption shall not apply to any publication the principal purpose of which is the publication of advertisements."

SEC. 5. Section forty-three of Act Numbered Twenty-three hundred and thirty-nine is hereby amended to read as follows:

"SEC. 43. *Percentage tax on contractors, warehousemen, and others.*-Contractors, warehousemen, proprietors of dockyards, and persons selling light, heat, or power, as well as persons engaged in conducting telephone or telegraph lines or exchanges, and proprietors of steam laundries, and of shops for the construction and repair of vehicles of any kind, and keepers of hotels and restaurants shall pay a tax equivalent to one per cent of their gross receipts."

SEC. 6. Section forty-four of Act Numbered Twenty-three hundred and thirty-nine is hereby amended to read as follows:

"SEC. 44. *Percentage tax on carriers and keepers of stables and garages.*-Keepers of livery stables and garages, transportation contractors, persons who transport passengers or freight for hire, and common carriers by land or water, except owners of boats taxed under the laws administered by the Bureau of Customs, owners of a single banca who habitually operate same themselves, and owners of a single two-wheeled vehicle who habitually drive same themselves, shall pay a tax equivalent to one per cent of their gross receipts."

SEC. 7. Section forty-five of Act Numbered Twenty-three hundred and thirty-nine is

hereby amended to read as follows:

"SEC. 45. *Amount of tax on business.*-Fixed taxes on business shall be collected as follows, the amount stated being for the whole year, when not otherwise specified:

- "(a) Distillers of spirits, two hundred pesos;
- "(b) Brewers, two hundred pesos;
- "(c) Rectifiers of distilled spirits, two hundred pesos;
- "(d) Manufacturers of tobacco, twenty pesos;
- "(e) Manufacturers of cigars, twenty pesos;
- "(f) Wholesale liquor dealers-
 - "1. In city of Manila, two hundred pesos;
 - "2. In any other place, sixty pesos;
- "(g) Retail liquor dealers, forty-eight pesos;
- "(h) Retail vino dealers, eight pesos;
- "(i) Wholesale dealers in fermented liquors, sixty pesos;
- "(j) Retail dealers in fermented liquors, twenty pesos;
- "(k) Retail dealers in *tuba, basi, and tapuy*, ten pesos;
- "(l) Retail leaf tobacco dealers, twenty pesos;
- "(m) Tobacco dealers, eight pesos;
- "(n) Wholesale peddlers of manufactured tobacco, or of distilled, manufactured, or fermented liquor, or both, eighty-pesos ;
- "(o) Retail peddlers of manufactured tobacco, or of distilled, manufactured, or fermented liquor, or both, sixteen pesos;
- "(p) Peddlers of merchandise traveling from place to place, except peddlers of foodstuffs and those whose stock in trade amounts to less than fifty pesos in value, eight pesos, to be refunded if thereafter they shall pay the merchants' tax for the quarter in a sum in excess of eight pesos;
- "(q) Proprietors of cockpits, two hundred pesos; and for each cockfight (*soltada*), twenty-five centavos;
- "(r) Proprietors of theaters, cinematographs, and concert halls:
 - "1. In city of Manila, two hundred pesos;
 - "2. In any other place, one hundred pesos; or in this case, by the month, ten pesos;
- "(s) Proprietors of circuses giving exhibitions in one or more places or provinces, two hundred pesos;
- "(t) Proprietors of billiard rooms, for each table, ten pesos;
- " (u) Owners of race tracks, for each day on which races are run on any track, three hundred pesos;
- "(v) Pawnbrokers, four hundred pesos;
- "(w) Stockbrokers, eighty pesos;
- "(x) Money lenders, two hundred pesos;
- "(y) Real estate brokers, eighty pesos;
- "(z) Merchandise brokers, eighty pesos."

SEC. 8. Article four, chapter two, of Act Numbered Twenty-three hundred and thirty-nine is hereby amended by adding after section forty-six thereof a new section, to be known as section forty-six (ft) and to read as follows:

"SEC. 46a. *Percentage tax on merchandise brokers.*-Merchandise brokers shall pay a percentage tax equivalent to four per cent of the gross compensation received by them in excess of five hundred pesos per quarter.