

[ Act No. 2096, January 13, 1912 ]

**AN ACT TO PROVIDE FOR THE COLLECTION AND APPORTIONMENT BETWEEN THE INSULAR, PROVINCIAL, AND MUNICIPAL GOVERNMENTS OF TAXES PAID BY THE GRANTEES OF FRANCHISES, THEIR LESSEES, SUCCESSORS OR ASSIGNS, ON THE GROSS EARNINGS OR RECEIPTS FROM THE BUSINESS COVERED BY THE LAW GRANTING THE FRANCHISE OR ANY AMENDMENT THEREOF.**

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

SECTION 1. The tax paid by the grantee of a franchise, his lessees, successors or assigns, on the gross earnings or receipts of the business covered by the law granting the franchise; or any amendment thereof, shall be apportioned between the Insular Government, the province or provinces, and the municipality or municipalities within which such business is carried on, in the following proportion:

Where the franchise is for the operation of a steam railroad or marine railway, five-tenths to the Insular Government, two-tenths to the province or provinces concerned, and three-tenths to the municipality or municipalities concerned;

Where the franchise is for the operation of an interurban electric or tramway line, one-fifth to the Insular Government, one-fifth to the province or provinces concerned and three-fifths to the municipality or municipalities concerned;

Where the franchise is for a municipal public service entirely within the limits of the municipality, one-fifth to the Insular Government, one-fifth to the province and three-fifths to the municipality: *Provided*, That if, under the franchise, the grantee, his lessees, successors or assigns, is entitled to, and does in fact, transact business in any other municipality, then the said gross earnings tax shall be apportioned between the municipalities or provinces concerned in proportion to the gross receipts from business transacted within their respective limits.

For the purposes of this apportionment the city of Manila shall be considered both as a province and a municipality. Except as above provided, the part of this tax accruing to the provinces shall be apportioned in proportion to the population of their respective municipalities in which such business is carried on, and the part corresponding to the municipalities shall be apportioned in proportion to their respective populations, all as shown by the official census last taken before the making of such apportionment: *Provided, however*, That if the grantee has issued bonds the payment of interest on which is guaranteed by the Insular Government according to the provisions of the law granting the franchise, or any amendment thereof, the tax shall accrue in its entirety to the Insular Government until the guaranty of the Government shall have ceased.

SEC. 2. The Collector of Internal Revenue, under the direction of the Secretary of Finance and Justice, shall have general superintendence over the collection of this tax, and the provisions of the Internal Revenue Law of Nineteen hundred and four, in so far as the same are applicable, shall be applied in the collection of this tax.