

[Commonwealth Act No. 503, October 16, 1939]

AN ACT TO AMEND CERTAIN SECTIONS OF THE NATIONAL INTERNAL REVENUE CODE.

Be it enacted by the-National Assembly of the Philippines:

SECTION 1. Section one hundred eighty-seven of Commonwealth Act Numbered Four hundred and sixty-six is amended to read as follows;

"SEC. 187. *Percentage tax on consignments abroad.* -Every merchant or producer not herein specifically exempted, shall pay a tax of one and one-half per centum of the gross value of the money of the commodities, goods, wares, and merchandise consigned abroad by him, such tax to be based on the actual selling price or value of the things in question at the time they are consigned abroad, whether consisting of raw materials or of manufactured or partially manufactured products or whether of domestic or foreign origin: Provided, That the tax prescribed in this section shall not be imposed on (a) articles upon which the tax prescribed in sections 184, 185, 186, and 189 has previously been paid; (b) articles imported into the Philippines and re-exported from the same in their original condition by the importer; and (c) minerals and mineral products when consigned abroad by the lessee, concessionaire, or owner of the mineral land from which removed. The tax upon things consigned abroad shall be refunded upon satisfactory proof of the return thereof to the Philippines unsold, subject to the limitation established in section 309 of this Code."

Sec. 2. Section one hundred eighty-eight of Commonwealth Act Numbered Four hundred and sixty-six is amended to read as follows:

"SEC. 188. *Transactions and persons not subject to percentage tax.* - In computing the tax imposed in sections 184, 185, and 186, transactions in the following commodities shall be excluded:

"(a) Things subject to tax under Title IV of this Code.

"(b) Agricultural products and the ordinary salt when sold, bartered, or exchanged in this country by the producer or owner of the land where produced, whether in their original state or not: Provided, That in the case of hemp, whether stripped or unstripped, sugar cane, unhusked rice or palay, coconut, corn, and copra, no tax shall be collected, except when they are consigned abroad, in which case the tax prescribed in section 187 shall be due and payable, irrespective of whether the consignor is the producer thereof or not, or whether or not he is a merchant.

"(c) Minerals and mineral products when sold, bartered, or exchanged in this country by the lessee, concessionaire, or owner of the mineral land from which removed.

"(d) Articles subject to tax under section 189 of this Code.

"The following persons shall be exempt from the percentage taxes imposed in sections 134, 185, and 186:

"(a) Persons whose gross quarterly sales or receipts do not exceed five hundred pesos.

"(b) All persons engaged in the-sale of food products, cooked foods, or refreshments at retail in public market places whose gross annual sales do not exceed twenty thousand pesos-and ail persons engaged in public market places exclusively in the-sale at retail of domestic meat, fruits, vegetables, game, poultry, fish, and other domestic food products,

"(c) Peddlers and sellers at fixed stands and other similar selling places engaged exclusively in the sale at retail of domestic meat, fruits, vegetables, game, poultry, fish, and similar domestic food products, whose total stock in trade in any one day does not reach a retail value of fifty pesos.

"(d) 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 five pesos."

Sec. 3. Section one hundred:eighty-nine of Commonwealth Act Numbered Four hundred and sixty-six is amended to read as follows:

"SEC. 189. *Percentage tax upon proprietors or operation of rope factories, sugar centrals, rice mills, coconut,oil mills, corn mills, and desiccated coconut factories.* - Proprietors or operators of rope factories, sugar centrals, rice mills, coconut oil mills, corn mills, and desiccated coconut factories shall pay a tax equivalent to one and one- half per centum of the gross value in money of all the rope, sugar, rice, coconut oil, ground or milled corn, and desiccated coconut manufactured or milled by them including the by-products of the raw materials from which the said articles are produced or manufactured such tax to be based on the actual selling price or market value of these articles at the time they leave the-factory or mill warehouse: Provided, however, That!in the case of a proprietor or operator of a rice or corn mill, the tax herein imposed shall not be collected in respect of rice or corn milled which does not exceed thirty cavanese a year for every single owner.

In case the raw materials are manufactured or milled in pursuance of a contract where the factory, central, or mill receives a share of the finished products, the tax on the share pertaining to the planter or owner of the raw materials shall be charged to the planter or owner and withheld by the proprietor or operator of the factory, central, or mill and paid by him-to the Collector of Internal Revenue.

A proprietor or operator of a refined sugar factory shall be subject to the tax inposedby this section but shall be permitted to deduct from the actual selling price or market value of the refined sugar the total cost, as