ORDINANCE NO. 3816

AN ORDINANCE CLASSIFYING, AND IMPOSING MUNICIPAL TAX ON, RETAIL DEALERS IN GENERAL MERCHANDISE BASED ON THEIR GROSS SALES OR RECEIPTS, AND FOR OTHER PURPOSES.

WHEREAS, the Municipal Board has realized the inequalities of the provisions of the present tax ordinance on retail dealers which in effect favors the big retailers and discriminates against the small retailers because of the existence of a ceiling in the schedule of taxable incomes over which no higher or bigger tax is imposed;

WHEREAS, the present administration of the City of Manila is committed to the abolition of the tuition fees in the city high schools, and said commitment is based precisely on the assumption that the inequalities aforementioned could be removed by the elimination of the ceiling in the present retailers' tax ordinance; and

WHEREAS, pursuant to the Charter of Manila, it is also necessary to make a reclassification of the retail dealers for purposes of taxation and, accordingly, a revision of the schedule of taxable incomes and the corresponding rates of taxes is in order: Now, therefore,

Be it ordained by the Municipal Board of the City of Manila, that:

SECTION 1. Municipal Tax. - Subject to the provisions of Ordinance No. 3000, as amended by Ordinance No. 3263, every person engaging in the retail sale of the merchandise hereinbelow classified shall pay to the City Treasurer a quarterly municipal tax based on his gross sales or receipts realized during the preceding quarter in accordance with the rates hereinbelow prescribed: PROVIDED, That a person engaging in the business of retail dealer for the first time shall pay for the quarter in which he begins to engage in business as such retail dealer the minimum municipal tax fixed in this ordinance for the class to which he belongs, subject to adjustment and payment of the deficiency tax, if any, on the basis of his actual gross sales or receipts during said quarter within twenty-five (25) days after the close of the quarter: AND PROVIDED, FURTHER, That the municipal tax herein prescribed shall not be levied upon retailers in second hand goods nor upon printers or bookbinders or both, tailor shops, milliners, manufactures of jewelry, embroideries, sail or awnings or both, rope, paper, leather goods including shoes, slippers, sandals, harnesses and valises or bags, sporting goods, rubber goods, plastics, and celluloid products, hardware, including tinware, ceramic and cement product, hardware including glasswares, cooking utensils, electrical goods and construction materials, chemical products including drugs, perfumes, toilet articles, paints, dyes and inks, textiles, shell lamps or lamp shades or both, statuettes or tombstone or both, sacks, furniture of all kinds, including rattan goods, wire brass beds or both, clothing, hats, eyeglasses or optical goods or both, fertilizers and buttons, who shall engage in the retail sale of their own products.

GROUP I. Dealers in luxury articles. - Articles herein classified as luxuries shall include motor vehicles and chasses, bodies, part and accessories thereof; all articles commonly or commercially known as jewelry, whether real or imitation; pearls and precious and semi-precious stones, whether real or imitation; articles made of, or ornamented, mounted or fitted with, precious metals or ivory (not including surgical instruments, frames or mountings for spectacles or eyeglasses, and dental gold or gold alloys and other precious metals used in filling, mounting or fitting of the teeth); opera glasses and lorgnettes; perfumes and perfume essences and extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hairdressings, hair restoratives, hair dyes, and any similar substance, article, or preparation, by whatsoever name known or distinguished, (except tooth and mouth washes, dentrifices, tooth paste and medicated toilet powders) and any other article which is used or applied or intended to be used or applied for toilet purposes; dice and mahjong and similar playing sets; beauty parlor equipment, parts and accessories, polo mallets and balls; golf bags, clubs and balls; playing boards and pieces, such as chess, checkers and the like; and television receiving sets, combination radio-phonographs, phonographs, juke boxes, gramophones and similar articles for reproducing music, and parts and accessories thereof; and phonograph records; and the dealers thereof shall pay quarterly fixed taxes according to the following schedule:

CLASS	QUARTERLY GROSS SALES OR RECEIPTS			QUARTERLY LICENSE TAX
1	Over		₱150,000.00	₱1,800 + ₱12 for each ₱1,000 or fraction thereof in excess of ₱150,000 gross sales or receipts
2	₱125,000.00	to	₱150,000.00	₱1,800.00
3	100,000.00	"	124,999.99	1,500.00
4	80,000.00	"	99,999.99	1,200.00
5	60,000.00	"	79,999.99	960.00
6	50,000.00	"	59,999.99	720.00
7	40,000.00	"	49,999.99	600.00
8	35,000.00	"	39,999.99	480.00
9	30,000.00	"	34,999.99	420.00
10	26,000.00	"	29,999.99	360.00
11	22,000.00	"	25,999.99	312.00
12	18,000.00	"	21,999.99	264.00
13	15,000.00	"	17,999.99	216.00
14	12,000.00	"	14,999.99	180.00
15	10,000.00	"	11,999.99	144.00
16	8,000.00	"	9,999.99	120.00
17	7,000.00	"	7,999.99	96.00
18	6,000.00	"	6,999.99	84.00
19	5,000.00	"	5,999.99	72.00
20	Less than		5,000.00	60.00

GROUP II. Dealers in Semi-luxury articles. - Articles herein classified as semi-luxuries shall include watches and clocks; marine glasses, field glasses and binoculars; fishing rods and reels; articles made of plastic, celluloid or bakelite; all cooler devices, including refrigerators, ice cream cabinets, food and beverage storage cabinets and ice-making machines and parts and accessories thereof; silverware, except those falling under GROUP I; office and household furniture, equipment, and finished articles for office or household decorations, except religious objects, household utensils not equipped with electrical heating devices and locally manufactured flower pots or vessels; accounting and business machines of all kinds; musical instruments; firearms, parts and accessories and all forms of ammunitions; electric, gas and oil appliances used in the preparation, keeping or storage of food; electric fans and circulators (except those specially adopted for industrial use); household type electric vacuum cleaners; unexposed photographic or motion picture films (except X-Ray films); motion picture and photographic supplies and equipment, parts and accessories (except those pertaining to

X-Ray); neon-tube signs, electric signs and electric advertising devices; washing machines; air-conditioning units, parts and accessories; and all clothing articles in finished forms and textiles, twenty-five per centum or more of which consists of silk, wool, linen or nylon; and the dealers thereof shall pay quarterly fixed taxes according to the following schedule:

CLASS	QUARTERLY GROSS SALES OR RECEIPTS			QUARTERLY MUNICIPAL TAX
1	Over		₱150,000.00	₱1,650 + ₱1 for each ₱1,000 or fraction thereof in excess of ₱150,000.00 gross sales or receipts
2	₱125,000.00	to	₱150,000.00	₱1,650.00
3	100,000.00	"	124,999.99	1,375.00
4	80,000.00	"	99,999.99	1,100.00
5	60,000.00	"	79,999,99	880.00
6	50,000.00	"	59,999.99	660.00
7	40,000.00	"	49,999.99	550.00
8	35,000.00	"	39,999.99	440.00
9	30,000.00	"	34,999.99	385.00
10	26,000.00	"	29,999.99	330.00
11	22,000.00	"	25,999.99	286.00
12	18,000.00	"	21,999.99	242.00
13	15,000.00	"	17,999.99	198.00
14	12,000.00	"	14,999.99	165.00
15	10,000.00	"	11,999.99	132.00
16	8,000.00	"	9,999.99	110.00
17	6,000.00	"	7,999.99	88.00
18	5,000.00	"	5,999.99	66.00
19	4,000.00	"	4,999.99	55.00
20	Less than		4,000.00	44.00

GROUP III. Dealers in essential commodities. - Articles herein classified as essential commodities shall include machineries, parts and accessories thereof not included in the foregoing groups; groceries; building materials, including hardware; clothing articles in finished forms and textiles other than those mentioned in the preceding group; leather and rubber goods; rope and abaca products; sails, awnings and tents; paper of all kinds; sacks and industrial textiles; and all chemical and pharmaceutical products including drugs, medicines, paints, dyes and inks; and the dealers thereof shall pay quarterly fixed taxes according to the following schedule:

CLASS	QUARTERLY GROSS SALES OR RECEIPTS			QUARTERLY MUNICIPAL TAX
1	Over		₱150,000.00	₱1,500 + ₱10 for each ₱1,000 or fraction thereof in excess of ₱150,000 gross sales or receipts
2	₱125,000.00	to	₱150,000.00	₱1,500.00
3	100,000.00	"	124,999.99	1,250.00
4	90,000.00	"	99,999.99	1,000.00
5	80,000.00	"	89,999.99	900.00
6	70,000.00	"	79,999.99	800.00
7	60,000.00	"	69,999.99	700.00
8	50,000.00	"	59,999.99	600.00
9	40,000.00	"	49,999.99	500.00
10	35,000.00	"	39,999.99	400.00
11	30,000.00	"	34,999.99	350.00
12	26,000.00	"	29,999.99	300.00
13	22,000.00	"	25,999.99	260.00

CLASS	QUARTERLY GROSS SALES OR RECEIPTS			QUARTERLY MUNICIPAL TAX
14	₱ 19,000.00	to	₱ 21,999.99	₱ 220.00
15	16,000.00	"	18,999.99	190.00
16	14,000.00	"	15,999.99	160.00
17	12,000.00	"	13,999.99	140.00
18	10,000.00	"	11,999.99	120.00
19	8,000.00	"	9,999.99	100.00
20	7,000.00	"	7,999.99	80.00
21	6,000.00	"	6,999.99	70.00
22	5,000.00	"	5,999.99	60.00
23	4,000.00	"	4,999.99	50.00
24	3,000.00	"	3,999.99	40.00
25	2,000.00	"	2,999.99	30.00
26	1,000.00	"	1,999.99	20.00
27	Less than		1,000.00	10.00

GROUP IV. Dealers in miscellaneous articles. - General merchandise herein classified as miscellaneous articles shall comprise all merchandise other than those enumerated in the preceding groups, including poultry and livestock, agricultural products such as rice, palay, corn, mongo, peanuts, coffee, beans, sweet potatoes, cassava, starch, sugar, potatoes, corn grates and all fresh vegetables, salt, bagoong and dried fish, and other allied products, and the dealers thereof shall pay quarterly fixed taxes according to the following schedule:

CLASS	QUARTERLY GROSS SALES OR RECEIPTS			QUARTERLY MUNICIPAL TAX
1	Over		₱150,000.00	₱1,500 + ₱10 for each ₱1,000 or fraction thereof in excess of ₱150,000 gross sales or receipts
2	₱130,000.00	to	₱150,000.00	₱1,500.00
3	115,000.00	"	129,999.99	1,300.00
4	100,000.00	"	114,999.99	1,150.00
5	90,000.00	"	99,999.99	1,000.00
6	80,000.00	"	89,999.99	900.00
7	70,000.00	"	79,999.99	800.00
8	65,000.00	"	69,999.99	700.00
9	60,000.00	"	64,999.99	650.00
10	55,000.00	"	59,999.99	600.00
11	50,000.00	"	54,999.99	550.00
12	46,000.00	"	49,999.99	500.00
13	42,000.00	"	45,999.99	460.00
14	38,000.00	"	41,999.99	420.00
15	34,000.00	"	37,999.99	380.00
16	30,000.00	"	33,999.99	340.00
17	26,000.00	"	29,999.99	300.00
18	23,000.00	"	25,999.99	260.00
19	20,000.00	"	22,999.99	230.00
20	17,000.00	"	19,999.99	200.00
21	14,000.00	"	16,999.99	170.00
22	11,000.00	"	13,999.99	140.00
23	9,000.00	"	10,999.99	110.00
24	8,000.00	"	8,999.99	90.00
25	7,000.00	"	7,999.99	80.00
26	6,000.00	"	6,999.99	70.00
27	5,000.00	"	5,999.99	60.00
28	4,000.00	"	4,999.99	50.00
29	3,000.00	"	3,999.99	40.00
30	2,000.00	"	2,999.99	30.00
31	1,000.00	"	1,999.99	20.00
32	Less than		1,000.00	10.00

SEC. 2. Sales of different classes of commodities. - Where commodities or merchandise falling under two or more groups are sold at retail in the same establishment the owner thereof shall have the option of paying either the municipal tax for each group of commodities or merchandise sold, or the higher or highest rate of municipal tax prescribed by this ordinance on the basis of his total quarterly gross sales or receipts.

SEC. 3. Time and manner of paying the tax. - The municipal tax herein provided shall be paid at the Office of the City Treasurer within the first twenty-five (25) days after the calendar quarter for which the tax is due: PROVIDED, That as regards businesses already operating at the time this ordinance takes effect, the tax for the initial quarter after the passage of this ordinance shall be paid pursuant to the provisions of this ordinance and shall be based on sales realized during the calendar quarter immediately preceding the approval of this ordinance. Failure to pay the tax within the prescribed time shall render the taxpayer liable to pay a surcharge pf ten per centum of the tax due.

Immediately after the end of each calendar quarter, every person subject to the payment of the tax herein provided shall prepare and file with the City Treasurer, on a form to be prescribed and supplied by said official, free of charge, a sworn statement of his retail sales and receipts during the preceding calendar quarter, on the basis of which, the City Treasurer shall determine and levy the corresponding amount of tax due.

Should the City Treasurer, or any of his authorized representatives, upon subsequent verification, discover any error or omission resulting in the under-declaration of the amount of gross sales or receipts, a revised statement of the amount of such gross sales or receipts shall be prepared and served by the said official upon the taxpayer concerned, who shall have ten days from the receipt thereof within which to pay the tax due without penalty: PROVIDED, HOWEVER, That in case the under-declaration was made with intent to evade the tax or any part thereof, or in case of wilfull neglect to file a return and/or pay the tax with intent to evade such payment, the surcharge shall be fifty per centum of the delinquent tax, in addition to the surcharge for late payment.

SEC. 4. Retirement from business. - In case a taxpayer retires or is forced to retire from business before the end of a quarter, he shall, within five days after closure of his business, submit to the City Treasurer a sworn statement of his gross sales or receipts during the quarter or quarters for which he has not paid the corresponding municipal taxes. The City Treasurer shall thereupon determine the amount of municipal taxes due from the said taxpayer, who shall pay the amount of taxes so determined within ten days from the date he is notified thereof in writing by the City Treasurer.

SEC. 5. Examination of taxpayers' book and records. - For the proper enforcement of the provisions of this ordinance, all the books and records of every person, firm or corporation engaged in the business of retail dealer shall be subject to examination by the City Treasurer or by any of his deputies specifically authorized in writing to do so during the regular business hours, unless the person, firm or corporation concerned shall consent to such examination at some other time.

SEC. 6. Regulations. - Subject to the approval of the City Mayor, the City Treasurer shall immediately make and promulgate all needful rules and regulations for the effective enforcement of the provisions of this ordinance and the assessment and collection of the taxes herein imposed. The requirements of such rules and regulations shall be coordinated with those of the national internal revenue regulations in order to avoid duplication which will cause hardship upon the taxpayers.

SEC. 7. Repealing clause. - All ordinances or parts of ordinances inconsistent herewith are hereby repealed. However, the provisions of Section 1 of Ordinance No. 1925, as lastly amended by Ordinance No. 3364, in so far as it refers to Groups 4, 5, 6, 7 and 8 therein mentioned and all provisions of said ordinance corresponding to said groups shall remain in force.

SEC. 8. Effectivity. - This ordinance shall take effect on October 1, 1956.

Enacted, September 14, 1956.

Approved, September 24, 1956

APPROVED:

ARSENIO H. LACSON
Mayor
City of Manila

JESUS MARCOS ROCES
Vice-Mayor
Presiding Officer, Municipal Board

ATTESTED:

JOSE M. REGALA
Secretary to the Mayor

FADEROS E. TINOCO
Secretary, Municipal Board

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