

-----  
www.congress.gov.ph  
-----

LAWNUM: RA07369  
DATE : 04/10/92  
TITLE : AN ACT GRANTING TAX AND DUTY EXEMPTION AND TAX CREDIT ON  
CAPITAL  
EQUIPMENT

TEXT :

S. No. 1920  
H. No. 34254

Republic of the Philippines  
Congress of the Philippines  
Metro Manila

Fifth Regular Session

Begun and held in Metro Manila, on Monday, the twenty-second  
day of July, nineteen hundred and ninety-one.

[REPUBLIC ACT No. 7369]

AN ACT GRANTING TAX AND DUTY EXEMPTION AND TAX  
CREDIT ON CAPITAL EQUIPMENT

Be it enacted by the Senate and House of Representatives of  
the Philippines in Congress assembled:

SECTION 1. Paragraph (c), Article 39, Title III of the  
Omnibus Investments Code of 1987 is hereby amended to read as  
follows:

"(c) Tax and Duty Exemption on Imported Capital Equipment.  
- Until December 31, 1994, importations of machinery and  
equipment and accompanying spare parts of new and expanding  
registered enterprise shall be exempt to the extent of One  
hundred percent (100%) of the customs duties and national  
internal revenue tax payable thereon: Provided, That the  
importation of machinery and equipment and accompanying spare  
parts shall comply with the following conditions:

"(1) They are not manufactured domestically in sufficient  
quantity, of comparable quality and at reasonable prices;

"(2) They are reasonably needed and will be used  
exclusively by the registered enterprise in the manufacture  
of its products, unless prior approval of the Board is

secured for the part-time utilization of said equipment in a non-registered activity to maximize usage thereof or the proportionate taxes and duties are paid on the specific equipment and machinery being permanently used for non-registered activities;

"(3) The approval of the Board was obtained by the registered enterprise for the importation of such machinery, equipment and spare parts." In granting the approval of the importations under this paragraph, the Board may require international canvassing but if the total cost of the capital equipment or industrial plant exceeds US\$5,000,000.00, the Board shall apply or adopt the provisions of Presidential Decree Numbered 1764 on international Competitive Bidding.

"If the registered enterprise sells, transfers or disposes these machinery, equipment and spare parts without prior approval of the Board within five (5) years from the date of acquisition, the registered enterprise and the vendee, transferee, or assignee shall be solidarily liable to pay twice the amount of the tax exemption given it.

"The Board shall allow and approve the sale, transfer, disposition of the said items within the said period of five (5) years if made:

"(aa) to another registers enterprise or registered domestic producer enjoying similar incentives;

"(bb) for reason of proven technical obsolescence; or

"(cc) for purposes of replacement to improve and/or expand the operations of the registered enterprises."

SEC. 2. Paragraph (d), Article 39, Title III of the same Code, is likewise amended to read as follows:

"(d) Tax credit on Domestic Capital Equipment. - A tax credit equivalent to One hundred percent (100%) of the value of the national internal revenue taxes and customs duties that would have been waived on the machinery, equipment and spare parts, had these items been imported shall be give to the new and expanding registered enterprise which purchases machinery equipment and spare parts from a domestic manufacture: Provided, That (1) that the said equipment, machinery and spare parts are reasonably needed and will be used exclusively by the registered enterprise in the manufacture of its products, unless prior approval of the Board is secured for the part-time utilization of said equipment in a nonregistered activity to maximize usage thereof; (2) that the equipment would have qualified for tax and duty-free importation under paragraph (c) hereof; (3) that the approval of the Board was obtained by the registered enterprise; and (4) that the purchase is made on or before

December 31, 1994. If the registered enterprise sells, transfers, or disposes of these machinery, equipment and spare parts, the provision in the preceding paragraph for such disposition shall apply." SEC. 3. For a period three (3) years starting January 1, 1995, the following imported articles shall be exempt from duties imposed under Section 104 of the Tariff and Customs Code of 1978, as amended, and all kinds of levies provided by law or presidential decree:

HDG. NO.	HARMONIZED SYSTEM CODE	DESCRIPTION
84.02		Steam or other vapour generating boilers (other than central heating hot water boilers capable also of producing low pressure steam); super-heated water boilers.
	8402.11 00	- Steam or other vapour generating boilers; - Watertube boilers with a steam production exceeding 45 t per hour
	8402.12	-- Watertube boilers with a steam production not exceeding 45 t per hour;
	8402.12 10	---- With rating above 9.4 t per hour
	8402.12 90	---- Other
	8402.19	---- Other vapour generating boilers, including hybrid boilers;
	8402.19 10	----- With rating above 9.4 t per hour
	8402.19 90	----- Other
	8402.20	- Super-heated water boilers
	8402.20 10	---- With rating above 9.4 t per hour
	8402.20 90	---- Other x x x
84.03		Central heating boilers other than those of heading No. 84.02.
	8403.10 00	- Boilers x x x

84.04		<p>Auxiliary plant for use with boilers of heading No. 84.02 or 84.03 (for example, economisers, super-heaters, soot removers, gas recoverers); condensers for steam or other vapour power units.</p>
	8404.10	- Auxiliary plant for use with boilers of heading No. 84.02 or 84.03;
	8404.10 10	-- Auxiliary plant for use with boilers of heading No. 84.02
	8404.10 90	- Other
	8404.20 00	- Condensers for steam and other vapour power units x x x
84.05		<p>Producer gas or water gas generators, with or without their purifiers; acetylene gas generators and similar water process gas generators, with or without their purifiers.</p>
	8405.10 00	- Producers gas or water gas generators, with or without their purifiers; acetylene gas generators and similar water process gas generators, with or without their purifiers. x x x
84.06		<p>Steam turbines and other vapour turbines.</p>
		- Turbines:
	8406.11 00	For marine propulsion
	8406.19 00	Other x x x
84.07		<p>Spark-ignition reciprocating or rotary internal combustion piston engines.</p>
		x x x
		- Marine propulsion

		engines:
	8407.21 00	-- Outboard motors x x x
		- Reciprocating piston engines of a kind used for the propulsion of vehicles of Chapter 87;
	8407.31	-- Of a cylinder capacity not exceeding 50 cc x x x
84.08		Compression-ignition internal combustion piston engines (diesel or semi-diesel engines).
	8408.10 00	- Marine propulsion engines x x x
84.10		Hydraulic turbines, water wheels, and regulators therefor.
		- Hydraulic turbines and water wheels:
	8410.11 00	-- Of a power not exceeding 1,000 kw
	8410.12 00	--- Of a power exceeding 1,000 kw but not exceeding 10,000 kw
	8410.13 00	-- Of a power exceeding 10,000 kw x x x
84.13		Pumps for liquids, whether or not fitted with a measuring device; liquid elevators.
		- Pumps fitted or designed to be fitted with a measuring device; x x x
	8413.19 00	Other
	8413.20 00	Hand pumps, other than those of subheading No. 8413.11 or 8413.19
	8413.30 00	- Fuel, lubricating or cooling medium pumps for internal combustion piston engines
	8413.40 00	Concrete pumps
	8413.50 00	Other reciprocating positive displacement pumps

	8413.60	00	- Other rotary positive displacement pumps
	8413.70	00	- Other centrifugal pumps;
	8413.70	10	-- Centrifugal water pumps, single stage, single suction, horizontal shaft type suitable for belt drive or direct coupling (except pumps with shafts common with prime mover) with casings and impellers of cast iron or bronze
	8413.70	90	-- Other
			- Other pumps; liquid elevators;
	8413.81	00	Pumps
	8413.82	00	Liquid elevators
			x x x
84.14			Air or vacuum pumps, air or other gas compressors and fans; ventilating or recycling hoods incorporating a fan, wether or not fitted with filters.
	8414.00	00	- Vacuum pumps
			x x x
	8414.30	00	- Compressors of a kind used in refrigerating equipment.
			x x x
	8414.40	00	- Air compressors mounted on a wheeled chassis for towing
			x x x
	8414.60	0	- Hoods having a maximum horizontal side not exceeding 120 cm
	8414.80	00	- Other
			x x x
84.16			Furnace burners for liquid fuel, for pulverized solid fuel or for gas; mechanical stokers, mechanical grates, mechanical ash dischargers and similar appliances.
	8416.10	00	- Furnace burners for

			liquid fuel
	8416.20	00	- Other furnace burners, including combination burners
	8416.30	00	- Mechanical stokers, mechanical grates, mechanical ash dischargers and similar appliances x x x
84.17			Industrial or laboratory furnaces and ovens, including incinerators, non-electric.
	8417.10	00	- Furnaces and ovens for the roasting, melting or other heat-treatment of ores, pyrites or of metals
	8417.20	00	- Bakery ovens, including biscuit ovens
	8417.80	00	- Other x x x
84.19			Machinery, plant or laboratory equipment, whether or not electrically heated, for the treatment of materials by a process involving a change of temperature such as heating, cooking, roasting, distilling, rectifying, sterilizing, pasteurising, steaming, drying, evaporating, vaporising, condensing or cooling, other than machinery or plant of a kind used for domestic purposes; instantaneous or storage water heaters, non-electric.
	8419.11	00	- Instantaneous gas water heaters
	8419.19	00	Other x x x - Dryers;

	8419.31	00	For agricultural products
	8419.32	00	For wood, paper pulp, paper or paperboard
	8419.39		-- Other;
	8419.39	10	---- Driers for printing plate making
	8419.39	90	---- Other
	8419.40	00	Distilling or rectifying plant
	8419.50	00	Heating exchange units
	8419.60	00	- Machinery for liquefying air or gas
			- Other machinery, plant and equipment;
	8419.81	00	-- For making hot drinks or for cooking or heating food
	8419.89		-- Other;
	8419.89	10	---- Sterilising apparatus (other than those covered in subheading No. 8419.2000)
	8419.89	90	---- Other x x x
84.20			Calendaring or other rolling machines, other than for metals or glass, and cylinders therefor.
	8420.10	00	- Calendaring or other rolling machines x x x
84.21			Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases.
	8421.11	00	-- Cream separators
	8421.17	00	-- Clothes-dryers (EXCLUDING THOSE FOR HOUSEHOLD USE)
	8421.19	00	-- Other
			-- Filtering or purifying machinery and apparatus for liquids;
	8421.21	00	-- For filtering or purifying water (EXCLUDING THOSE FOR HOUSEHOLD USE)



8421.22	00	-- For filtering or purifying beverages other than water (EXCLUDING THOSE FOR HOUSEHOLD USE)
8421.23	00	-- Oil or petrol-filters for internal combustion engines
8421.29	00	-- Other (EXCLUDING THOSE FOR HOUSEHOLD USE)
8421.31	00	-- Filtering or purifying machinery and apparatus for gases; Intake air filters for internal combustion engines
8421.39	00	-- Other (EXCLUDING THOSE FOR HOUSEHOLD USE)
		x x x
84.22		Dish washing machines; machinery for cleaning or drying bottles or other containers; machinery for filling, closing, sealing, capsuling or labelling bottles, cans, boxes, bags or other containers; other packing or wrapping machinery, machinery for aerating beverages. - Dish washing machines; x x x
	8422.19	00 -- Other x x x
	8422.30	00 - Machinery for filling, closing, scaling, capsuling or labelling bottles, cans, boxes, bags or other containers; machinery for aerating beverages
	8422.40	00 -- Other packing or wrapping machinery x x x
84.25		Pulley tackle and hoists other than skip hoists; winches and capstans; jabs.

			- Pulley tackle and hoists other than skip hoists or hoists of a kind used for raising vehicles;
	8425.11	00	Powered by electric motor
	8425.19	00	Other
	8425.20	00	Pit-head winding gear; winches specially designed for use underground
			- Other winches; capstans;
	8425.31	00	-- Powered by electric motor
	8425.39	00	-- Other
			-- Jacks; hoists of a kind used for raising vehicles;
	8425.41	00	-- Built-in jacking system of a type used in garages
	8425.42	00	-- Other jacks and hoists, hydraulic
	8425.49	00	-- Other
84.26			Derricks; cranes, including cable cranes; mobile lifting frames, straddle carriers and works trucks fitted with a crane.
			- Overhead travelling cranes, transporter cranes, gantry cranes, bridge cranes, mobile lifting frames and straddle carriers;
	8426.11	00	-- Overhead travelling cranes on fixed support
	8426.12		-- Mobile lifting frames on tyres and straddle carriers;
			-- Straddle carriers
	8426.12	10	-- Mobile lifting frames on tyres
			-- Other
	8426.19	00	-- Other
	8426.20	00	- Tower cranes
	8426.30	00	-- Portal or pedestal jib cranes
			Other machinery, self-propelled;
	8426.41		-- On tyres;

	8426.41	10	-- Crane trucks
	8426.41	90	-- Other
	8426.49	00	-- Other
			- Other machinery;
	8426.91	00	-- Designed for mounting on road vehicles
	8426.99	00	-- Other
			x x x
84.28			Other lifting, handling, loading or unloading machinery (for example, lifts, escalators, conveyors, teleferics).
	8428.10	00	- Lifts and skip hoists
	8428.20	00	- Pneumatic elevators and conveyors
			- other continuous- action elevators and conveyors, for goods or materials;
	8428.31	00	-- Specially designed for underground use
	8428.32	00	-- Other, bucket type
	8428.33	00	-- Other, belt type
	8428.39	00	-- Other
	8428.40	00	- Escalators and moving walkways
	8428.50	00	Mine wagon pushers, locomotive or wagon traversers, wagon tippers and similar railway wagon handling equipment
	8428.60	00	- Teleferics, chair-lifts, ski-draglines; traction mechanisms for funiculars
	8428.90	00	- Other machinery
84.29			Self-propelled bulldozers, angledozers, graders, levellers, scrapers, mechanical shovels, excavators, shovel loaders, tamping machines and road rollers.
			- Bulldozers and angledozers
	8429.11	00	-- Track laying
	8429.19	00	-- Other
	8429.20	00	- Graders and levellers

	8429.30	00	- Scrapers
	8429.40	00	- Tamping machines and road rollers
			- Mechanical shovels, excavators and shovel loaders
	8429.51	00	-- Front-end shovel loaders
	8429.52	00	-- Machinery with a 360 deg. revolving superstructure
	8429.59	00	-- Other
84.30			Other moving, grading, leveling, scraping, excavating, tamping, compacting, extracting or boring machinery, for earth, minerals or ores; pile-drivers and pile extractors; snow-ploughs and snow-blowers.
	8430.10	00	- Pile-drivers and pile extractors x x x
			- Coal or rock cutters and tunneling machinery;
	8430.31	00	-- Self-propelled
	8430.39	00	-- Other
			- Other boring or sinking machinery;
	8430.41	00	-- Self-propelled
	8430.49	00	-- Other
	8430.50	00	- Other machinery, self-propelled
			- Other machinery, not self-propelled;
	8430.61	00	-- Tamping or compacting machinery
	8430.62	00	-- Scrapers
	8430.69	00	-- Other x x x
84.33			Harvesting or threshing machinery, including straw or fodder balers; grass or hay mowers; machines for cleaning, sorting or grading eggs, fruit or other agricultural produce, other than machinery of heading No. 84.37.

x x x

8433.20 00 - Other mowers,  
including cutter bars  
for tractor mounting  
8433.30 00 - Other haymaking  
machinery  
8433.40 00 - Straw or fodder  
balers, including  
pick-up balers  
- Other harvesting  
machinery; threshing  
machinery;  
8433.51 00 Combine  
harvester-threshers  
8433.52 00 Other threshing  
machinery  
8433.53 00 Root or tuber harvesting  
machines  
8433.59 00 Other  
8433.60 00 Machines for cleaning,  
sorting or grading eggs,  
fruit or other  
agricultural produce

84.34

Milking machines and  
dairy machinery.

8434.10 00 - Milking machines  
8434.20 00 - Dairy machinery  
x x x

84.35

Presses, crushers and  
similar machinery used  
in the manufacture of  
wine, cider, fruit  
juices or similar  
beverages.

8435.10 00 - Machinery  
x x x

84.37

Machines for cleaning,  
sorting or grading seed,  
grain or dried  
leguminous vegetables,  
machinery used in the  
milling industry or for  
the working of cereals  
or dried leguminous  
vegetables, other than  
farm-type machinery.

8437.10 - Machinery for  
cleaning, sorting or  
grading seed, grain or  
dried leguminous

			vegetables;
8437.10	10		For bread grains (e.g. wheat, rye)
8437.10	90		Other
8437.80			Other Machinery;
8437.80	10		Rice hullers and cone type rice mill
8437.80	90		Other
			x x x

84.38

			Machinery, not specified or included elsewhere in this Chapter, for the industrial preparation or manufacture of food or drink, other than machinery for the extraction or preparation of animal or fixed vegetable fats or oils.
8438.10	00	-	Bakery machinery and machinery for the manufacture of macaroni, spaghetti or similar products
8438.20	00	-	Machinery for the manufacture of confectionery, cocoa or chocolate
8438.30	00	-	Machinery for sugar manufacture
8438.40	00	-	Brewery machinery
8438.50	00	-	Machinery for the preparation of - meat or poultry
8438.60	00	-	Machinery for the preparation of fruits, nuts or vegetables
8438.80	00	-	Other machinery
			x x x

84.39

			Machinery for making pulp of fibrous cellulosic materials or for making or finishing paper or paperboard.
8439.10	00	-	Machinery for making pulp of fibrous cellulosic material
8439.20	00	-	Machinery for making paper or paperboard
8439.30	00	-	Machinery for finishing paper or

			paperboard x x x
84.40			Book-binding machinery, including book-sewing machines.
	8440.10	00	- Machinery x x x
84.41			Other machinery for making up paper pulp, paper or paperboard, including cutting machines of all kinds.
	8441.10		Cutting machines:
	8441.10	10	For photographic prints on paper or paperboard mounts for photographs.
	8441.10	90	-- Other
	8441.20	00	- Machines for making bags, sacks or envelopes
	8441.30	00	- Machines for making cartons, boxes, cases, tubes, drums or similar containers, other than by moulding
	8441.40	00	- Machines for moulding articles in paper pulp, paper or paperboard
	8441.80	00	- Other Machinery x x x
84.42			Machinery, apparatus and equipment (other than the machine-tools of headings Nos. 84.56 to 84.65), for type- founding or type- setting, for preparing or making printing blocks, plates, cylinders or other printing components: printing type, blocks, plates, cylinders and other printing components: blocks, plates, cylinders and lithographic stones, prepared for printing purposes (for example, planed, grained or polished).
	8442.10	00	-Phototype-setting and

			composing machines
	8442.20	00	- Machinery, apparatus and equipment for type-setting or composing by other processes, with or without founding device
		8442.30	00 - Other machinery, apparatus and equipment
			x x x
	8442.50	00	- Printing type, blocks, plates, cylinders and other printing components, blocks, plates, cylinders and lithographic stones, prepared for printing purposes (for example, planed, grained or polished)
84.43			Printing machinery, machines for uses ancillary to printing.
			- Offset printing machinery
	8443.11	00	-- Reel fed
	8443.12	00	-- Sheet fed office type (sheet size not exceeding 27 x 36 cm)
	8443.19	00	-- Other
			Letterpress printing machinery, excluding flexographic printing:
	8443.21	00	-- Reel fed
	8443.29	00	-- Other
	8443.30	00	- Flexographic printing machinery
	8443.40	00	- Gravure printing machinery
	8443.50	00	- Other printing machinery
	8443.60		- Machines for uses ancillary to printing
	8443.60	10	-- Proofing machines, color decks, automatic splicers, in feed devices, color registration equipment, dehumidifiers, anti-wrinkle devices, proof presses, moisture control stabilizers,



			embossing machines, scoring machines, automatic registration controls, saddles, counter stackers and ink vibrators
	8443.60	90	-- Other
			x x x
84.44	8444.00	00	Machines for extruding, drawing, texturing or cutting man-made textile materials.
84.45			Machines for preparing textile fibers; spinning, doubling or twisting machines and other machinery for producing textile yarns; textile reeling or winding (including weft- winding) machines and machines for preparing textile yams for use on the machines of heading No. 84.46 or 84.47.
			- Machines for preparing textile fibers
	8445.11	00	-- Carding machines
	8445.12	00	-- Combing machines
	8445.13	00	-- Drawing or roving machines
	8445.19	00	-- Other
	8445.20	00	- Textile spinning machines
	8445.30	00	- Textile doubling or twisting machines
	8445.40	00	- Textile winding (including weft- winding) or reeling machines
	8445.90	00	- Other
84.46			Weaving machines (looms).
	8446.10	00	- For weaving fabrics of a width not exceeding 30 cm.
			- For weaving fabrics of a width exceeding 30 cm. shuttle type
	8446.21	00	-- Power looms
	8446.29	00	- Other
	8446.30	00	- For weaving fabrics of a width exceeding 30 cm.

84.47			shuttleless type Knitting machines, stitch-bonding machines and machines for making dimmed yarn, tulle, lace, embroidery, trimmings, braid or net and machines for tufting. - Circular knitting machines:
	8447.11	00	-- With cylinder diameter not exceeding 165 mm.
	8447.12	00	-- With cylinder diameter exceeding 165 mm.
	8447.20	00	- Flat knitting machines: stitch-bonding machines
	8447.90	00	- Other
84.49	8449.00	00	Machinery for the manufacture or finishing of felt or nonwovens in the piece or in shapes, including, machinery for making felt hats; blocks for making hats. x x x
84.51			Machinery (other than machines of heading No. 84.50) for washing, cleaning, wringing, drying, ironing, pressing (including fusing presses), bleaching, dyeing, dressing, finishing, coating or impregnating textile yarns, fabrics or made up textile articles and machines for applying the paste to the base fabric or other support used in the manufacture of floor coverings such as linoleum; machines for reeling, unreeling, folding, cutting or pinking textile fabrics.
	8451.10	00	- Dry-cleaning machines

			- Drying machines:
	8451.21	00	-- Each of a dry linen capacity not exceeding 10 kg.
	8451.29	00	-- Other
	8451.30	00	- Ironing machines and presses (including fusing presses)
	8451.40	00	- Washing, bleaching or dyeing machines
	8451.50	00	- Machines for reeling, unreeling, folding, cutting or pinking textile fabrics
	8451.80	00	- Other machinery x x x
84.52	8452.30	00	Sewing machine needles (EXCLUDING THOSE UNDER SUBHEADING NO. 8452 .10 00) x x x
84.53			Machinery for preparing, tanning or working hides, skins or leather or for making or repairing footwear or other articles of hides, skins or leather, other than sewing machines.
	8453.10	00	- Machinery for preparing, tanning or working hides, skins or leather
	8453.20	00	- Machinery for making or repairing footwear
	8453.80	00	- Other machinery x x x
84.54			Converters, ladles, ingot moulds and casting machines, of a kind used in metallurgy or in metal foundries.
	8454.10	00	- Converters
	8454.20	00	- Ingot moulds and ladles
	8454.30	00	Casting machines x x x
84.55			Metal rolling mills and rolls therefor.

	8455.10	00	- Tube mills
			- Other rolling mills
	8455.21	00	-- Hot or combination hot and cold
	8455.22	00	-- Cold
	8455.30	00	- Rolls for rolling mills
			x x x
84.57			Machining centres, unit construction machines (single station) and multistation transfer machines, for working metal.
	8457.10	00	- Machine centres
	8457.20	00	- Unit construction machines (single Station)
	8457.30	00	- Multi-station transfer machines
84.58			Lathes for removing metal.
			- Horizontal lathes:
	8458.11	00	-- Numerically controlled
	8458.19	00	-- Other
			- Other lathes:
	8458.91	00	-- Numerically controlled
	8458.99	00	-- Other
84.59			Machine-tools (including way-type unit head machines) for drilling, boring, milling, threading or tapping by removing metal, other than lathes of heading No. 84.58.
	8459.10	00	-- Way-type unit head machines
			-- Other drilling machines
	8459.21	00	-- Numerically controlled
	8459.29	00	-- Other
			-- Other boring-milling machines:
	8459.31	00	-- Numerically controlled
	8459.39	00	-- Other
	8459.40	00	- Other boring machines

			- Milling machines, knee-type:
8459.51	00	-- Numerically controlled	
8459.59		-- Other - Other milling machines	
8459.61	00	-- Numerically controlled	
8459.69	00	-- Other	
8459.70	00	- Other threading or tamping machines	
		x x x	

84.62

			Machine tools (including presses) for working metal by forging, hammering or die- stamping; machine-tools (including presses) for working metal by bending, folding, straightening, flattening, shearing, punching or notching; pressing for working metal or metal carbides, not specified above.
8462.10	00	- Forging or die- stamping machines (including presses) and hammers	
		- Bending, folding, straightening or flattening machines (including presses):	
8462.21	00	-- Numerically controlled	
8462.29	00	-- Other - Shearing machines (including presses), other than combined punching and shearing machines:	
8462.31	00	-- Numerically controlled	
8462.39	00	-- Other - Punching or notching machines (including presses), including combined punching and shearing machines:	
8462.41	00	-- Numerically controlled	

	8462.49	00	-- Other
			- Other:
	8462.91		-- Hydraulic presses:
	8462.91	00	-- Presses for moulding metallic powders by sintering; presses for compressing metal scrap into bales, etc.
	8462.91	90	-- Other
	8462.99		- Other
	8462.99	10	-- Presses for moulding metallic powders by sintering; presses for compressing metal scrap into bales, etc.
	8462.99	90	-- Other
84.64			x x x Machine tools for working stone, ceramics, concrete asbestos-cement or like mineral materials or for cold working glass.
	8464.10	00	- Sawing machines
	8464.20	0	- Grinding or polishing machines
	8464.90	00	- Other
84.65			Machine-tools (including machines for nailing, stapling, glueing or otherwise assembling) for working wood, cork, bone, hard rubber, hard plastics or similar hard materials.
	8465.10	00	- Machines which can carry out different types of machining operations without tool change between such operations
			- Other:
	8465.91	00	-- Sawing machines
	8465.92	00	-- Planing, milling or moulding (by cutting) machines
	8465.93	00	-- Grinding, sanding or polishing machines
	8465.94	00	-- Bending or assembling machines
	8465.95	00	-- Drilling or morticing, machines
	8465.96	00	-- Splitting, slicing or paring machines

	8465.99	00	-- Other
84.68	8468.20		- Other gas-operated machinery and apparatus:
	8468.20	10	-- Complete or finished hand-operated gas welding, brazing and cutting appliances for metal
	8468.20	90	-- Other x x x
84.74			Machinery for sorting, screening, separating, washing, crushing, grinding, mixing or kneading earth, stone, ores or other mineral substances, in solid (including powder or paste) form; machinery for agglomerating, shaping or moulding solid mineral fuels, ceramic paste, unhardened cements, plastering materials or other mineral products in powder or paste form; machines for forming foundry moulds of sand.
	8474.10	00	- Sorting, screening, separating or washing machines
	8474.20	00	- Crushing or grinding machines - Mixing or kneading machines:
	8474.31	00	-- Concrete or mortar mixers
	8474.32	00	-- Machines for mixing mineral substances with bitumen
	8474.39	00	-- Other
	8474.80	00	- Other machinery x x x
84.75			Machines for assembling electric or electronic lamps, tubes or valves or flashbulbs, in glass envelopes; machines for manufacturing or hot working glass or

			glassware.
	8475.10	00	- Machines for assembling electric or electronic lamps, tubes or valves or flashbulbs, in glass envelopes
	8475.20	00	- Machines for manufacturing or hot working glass or glassware
			x x x
84.77			Machinery for working rubber or plastics or for the manufacture of products from these materials, not specified or included elsewhere in this Chapter.
	8477.10	00	- Injection-moulding machines
	8477.20	00	- Extruders
	8477.30	00	- Blow moulding machines
	8477.40	00	- Vacuum moulding machines and other - thermoforming machines
			- Other machinery for moulding or otherwise forming:
	8477.51	00	-- For moulding or retreading pneumatic tyres or for moulding or otherwise forming inner tubes
	8477.59	00	-- Other
	8477.80	00	- Other machinery
			x x x
84.78			Machinery for preparing or making up tobacco, not specified or included elsewhere in this Chapter,
	8478.10	00	- Machinery
			x x x
84.79	8479.30	00	- Presses for the manufacture of particle board or fiber building board of wood or other ligneous materials and other machinery for treating wood or cork



x x x

84.80

- Moulding boxes for metal foundry: mould bases; moulding patterns; moulds for metal (other than ingot moulds), metal carbides, glass, mineral materials, rubber or plastics.
- 8480.10 00 - Moulding boxes for metal foundry
- 8480.20 00 - Mould bases
- 8480.30 - Moulding patterns;
- 8480.30 10 -- Of iron or steel
- 8480.30 90 -- Other
- Moulds for metal or metal carbides:
- 8480.41 00 -- Injection or compression types
- 8480.49 00 -- Other
- 8480.50 00 - Moulds for glass
- 8480.60 00 - Moulds for mineral materials
- Moulds for rubber or plastics:
- 8480.71 00 -- Injection or compression types
- 8480.79 00 -- Other

x x x

84.83

- Transmission shafts (including cam shafts and crank shafts) and cranks; bearing housings and plain shaft bearings; gears and gearing; ball screws; gear boxes and other speed changers, including torque converters; flywheels and pulleys, including pulley blocks; clutches and shaft couplings (including universal joints).
- 8483.10 00 - Transmission shafts (including cam shafts and crank shafts) and cranks
- 8483.20 00 - Bearing housings, incorporating ball

			or roller bearings
8483.30	00		- Bearing housings, not incorporating ball or roller bearings; plain shaft bearings
8483.40	00		- Gears and gearing, other than toothed wheels, chain sprockets and other transmission elements presented separately: ball screws; gear boxes and other speed changers, including torque converters
8483.50	00		- Flywheels and pulleys, including pulley blocks
8483.60	00		- Clutches and shaft couplings (including universal joints)
8483.90	00		- Parts x x x
85.01			Electric motors and generators (excluding generating sets).
8501.10			- Motors of an output not exceeding 37.5 W:
8501.10	10		-- Electric motors for toys
8501.10	90		-- Other
8501.20			- Universal AC/DC motors of an output exceeding 37.5 W:
8501.20	10		-- Motors with ratings of 3.75 KW and below
8501.20	20		-- Motors with ratings over 3.75 KW up to 225 KW
8501.20	30		-- Motors with ratings over 225 KW
			- Other DC motors: DC generators:
8501.31			-- Of an output not exceeding 750 W:
8501.31	10		-- Electric generators when imported by telecommunication companies under prior authorization of the board of Communications
8501.31	20		-- Electric generators
8501.31	90		-- Other
8501.32			-- Of an output

exceeding 750 W but  
 not exceeding 75KW:

8501.32	10	-- Electric generators when imported by telecommunication companies under prior authorization of the Board of Communications
8501.32	20	-- Electric generators
8501.32	90	-- Other
8501.33		-- Of an output exceeding 75 KW but not exceeding 375 KW:
8501.33	10	-- Electric generators when imported by telecommunication companies under prior authorization of the Board of Communications
8501.33	20	-- Electric generators
8501.33	30	-- Motors with rating over 225 KW but not over 375 KW
8501.33	90	-- Other motors
8501.34		-- Of an output exceeding 375 KW:
8501.34	10	-- Electric generators when imported by telecommunication companies under prior authorization of the Board of Communications
8501.34	20	-- Electric generators
8501.34	30	-- Motors with rating over 375 KW
8501.40		-- Other AC motors, single-phase:
8501.40	10	-- Motors over 225 KW
8501.40	90	-- Other -- Other AC motors, multi-phase:
8501.51	00	-- Of an output not exceeding 750 W
8501.52	00	-- Of an output exceeding 750 W but not exceeding 75 KW
8501.53		-- Of an output exceeding 75 KW:
8501.53	10	-- Motors over 225 KW
8501.53	90	-- Other motors -- AC generators (alternators):
8501.61		-- Of an output not exceeding 75 KVA:

8501.61	10	-- When imported by telecommunication companies under prior authorization of the Board of Communications
8501.61	90	-- Other
8501.62		-- Of an output exceeding 75 KVA but not exceeding 375 KVA:
8501.62	10	-- When imported by telecommunication companies under prior authorization of the Board of Communications
8501.62	90	-- Other
8501.63		-- Of an output exceeding 375 KVA but not exceeding 750 KVA:
8501.63	10	-- When imported by telecommunication companies under prior authorization of the Board of Communications
8501.63	90	-- Other
8501.64		-- Of an output exceeding 750 KVA:
8501.64	10	-- When imported by telecommunication companies under prior authorization of the Board of Communications
8501.64	10	-- Other
		x x x

85.14

Industrial or laboratory electric (including induction or dielectric) furnaces and ovens; other industrial or laboratory induction or dielectric heating equipment.

8514.10	00	- Resistance heated furnaces and ovens
8514.20	00	- Induction or dielectric furnaces and ovens
8514.30	00	- Other furnaces and ovens
8514.40	00	- Other induction or dielectric heating equipment
		x x x

85.15

Electric (including electrically heated gas), laser or other light or photon beam, ultrasonic, electron beam, magnetic pulse or plasma arc soldering, brazing or welding machines and apparatus, whether or not capable of cutting: electric machines and apparatus for hot spraying of metals or sintered metal carbides.

- Brazing or soldering machines and apparatus:
  - Soldering irons and tools
  - Other
    - Machines and apparatus for resistance welding of metals:
- Fully or partly automatic
- Other
  - Machines and apparatus for arc (including plasma arc) welding of metals:
- Fully or partly automatic
- Other:
  - x x x
- Other
- Other machines and apparatus:
  - For hot spraying of metals or sintered metal carbides
  - Other
    - x x x

:Provided, however, That the National Economic and Development Authority may, upon due notice and public hearing, and in consultation with concerned government agencies, exclude any item from the foregoing list, subject to the condition that the machinery or equipment is being manufactured domestically in sufficient quantity, of comparable quality and at a reasonable price.

SEC. 4. Pursuant to the preceding Section, a domestic manufacturer of any of the articles enumerated therein shall be entitled to a tax credit equivalent to one hundred percent

(100%) of the national internal revenue taxes, customs duties and levies actually paid on the raw materials used in the manufacture of the article. The purchaser of such article shall likewise be entitled to a tax credit of one hundred percent (100%) of the value of the National Internal Revenue taxes, customs duties imposed thereon under Section 104 of the Tariff and Customs Code of 1978, as amended, and levies provided by law or presidential decree had such article been imported.

SEC. 5. As used in this Act, the term domestic manufacturer' shall mean a citizen of the Philippines; a partnership or any other association organized under Philippine laws, with at least sixty percent (60%) of its capital owned and controlled by citizens of the Philippines; a corporation or cooperative organized under Philippine laws with at least sixty percent (60%) of its capital stock outstanding and entitled to vote owned and held by citizens of the Philippines, and with at least sixty percent (60%) of the members of its Board of Directors being citizens of the Philippines.

SEC. 6. The Board of Investments (BOI) shall issue certificates for the tax credit mentioned in Section 4 hereof after evaluation as to whether the manufactured article falls under Section 3 of this Act: Provided, however, That the domestic manufacturer has not availed of tax credits thereon under any other investment incentive law, order, rule or regulation: Provided, further, That availment of the tax credit provided for under this Act shall bar the availment of tax credits under such other laws, orders, rules or regulations.

SEC. 7. The BOI shall formulate and publish guidelines for the implementation of this Act in the Official Gazette and in any newspaper of general circulation within ninety (90) days after its approval.

SEC. 8. All laws, decree, orders, issuances and rules and regulations of parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 9. This Act shall take effect fifteen (15) days after the implementing rules have been published and shall be in effect for five (5) years from the date of its approval.

Approved,

RAMON V. MITRA  
Speaker of the House

NEPTALI A. GONZALES  
President of the Senate

of Representatives

This bill which is a consolidation of Senate Bill No. 1920 and House

Bill No. 34254, was finally passed by the Senate and the House of Representatives on February 7, 1992.

JR.  
CAMILO L. SABIO  
Secretary General  
House of Representatives

ANACLETO D. BADOY,  
Secretary of the Senate

Approved: APR 10 1992

CORAZON C. AQUINO  
President of the Philippines