

REPUBLIC OF THE PHILIPPINES }  
CONGRESS OF THE PHILIPPINES }  
    *Second Regular Session*

H. No. 7789  
S. No. 1330

REPUBLIC ACT NO. 7660

AN ACT RATIONALIZING FURTHER THE STRUCTURE AND  
ADMINISTRATION OF THE DOCUMENTARY STAMP  
TAX, AMENDING FOR THE PURPOSE CERTAIN  
PROVISIONS OF THE NATIONAL INTERNAL REVENUE  
CODE, AS AMENDED, ALLOCATING FUNDS FOR  
SPECIFIC PROGRAMS, AND FOR OTHER PURPOSES

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

SECTION 1. Section 173 of the National Internal Revenue  
Code, as amended, is hereby further amended to read as follows:

"SEC. 173. *Stamp taxes upon documents, instruments,  
loan agreements, and papers.* – Upon documents, instruments,  
loan agreements, and papers, and upon acceptances, assignments,  
sales, and transfers of the obligation, right, or property incident  
thereto, there shall be levied, collected and paid for, and in respect  
of the transaction so had or accomplished, the corresponding  
documentary stamp taxes prescribed in the following sections of  
this Title, by the person making, signing, issuing, accepting, or  
transferring the same wherever the document is made, signed,  
issued, accepted, or transferred when the obligation or right arises  
from Philippine sources or the property is situated in the  
Philippines, and at the same time such act is done or transaction  
had: *Provided*, That whenever one party to the taxable document  
enjoys exemption from the tax herein imposed, the other party  
thereto who is not exempt shall be the one directly liable for the  
tax."

SEC. 2. Section 174 of the National Internal Revenue Code,  
as amended, is hereby further amended to read as follows:

"SEC. 174. *Stamp tax on bonds, debentures, and  
certificates of indebtedness.* – On all bonds, debentures, and

certificates of indebtedness issued by any association, company, or corporation, there shall be collected a documentary stamp tax of One peso and fifty centavos (P1.50) on each two hundred pesos, or fractional part thereof, of the face value of such documents."

SEC. 3. Section 175 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 175. *Stamp tax on original issue of certificates of stock.* – On every original issue, whether on organization, reorganization or for any lawful purpose, of certificates of stock by any association, company, or corporations, there shall be collected a documentary stamp tax of Two pesos (P2.00) on each two hundred pesos, or fractional part thereof, of the par value of such certificates: *Provided,* That in the case of the original issue of stock without par value the amount of the documentary stamp tax herein prescribed shall be based upon the actual consideration received by the association, company, or corporation for the issuance of such stock, and in the case of stock dividends on the actual value represented by each share."

SEC. 4. Section 176 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 176. *Stamp tax on sales, agreements to sell, memoranda of sales, deliveries or transfer of due-bills, certificates of obligation, or shares or certificates of stock.* – On all sales, or agreements to sell, or memoranda of sales, or deliveries, or transfer of due-bills, certificates of obligation, or shares or certificates of stock in any association, company or corporation, or transfer of such securities by assignment in blank, or by delivery, or by any paper or agreement, or memorandum or other evidences of transfer or sale whether entitling the holder in any manner to the benefit of such due-bills, certificates of obligation or stock, or to secure the future payment of money, or for the future transfer of any due-bill, certificates of obligation or stock, there shall be collected a documentary stamp tax of One peso (P1.00) on each two hundred pesos, or fractional part thereof, of the par value of such due-bill, certificates of obligation or stock: *Provided,* That only one tax shall be collected on each sale or transfer of stock or securities from one person to another,

regardless of whether or not a certificate of stock or obligation is issued, endorsed, or delivered in pursuance of such sale or transfer: and *Provided, further*, That in the case of stock without par value the amount of the documentary stamp herein prescribed shall be equivalent to twenty-five *per centum* of the documentary stamp tax paid upon the original issue of said stock: *Provided, furthermore*, That the tax herein imposed shall be increased to One peso and fifty centavos (P1.50) beginning 1996."

SEC. 5. Section 178 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 178. *Stamp tax on certificates of profits or interests in property or accumulations.* – On all certificates of profits, or any certificate or memorandum showing interest in the property or accumulations of any association, company, or corporation, and on all transfers of such certificates or memoranda, there shall be collected a documentary stamp tax of Fifty centavos (P0.50) on each two hundred pesos, or fractional part thereof, of the face value of such certificate or memorandum."

SEC. 6. Section 179 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 179. *Stamp tax on bank checks, drafts, certificates of deposit not bearing interest, and other instruments.* – On each bank check, draft, or certificate of deposit not drawing interest, or order for the payment of any sum of money drawn upon or issued by any bank, trust company, or any person or persons, companies or corporations, at sight or on demand, there shall be collected a documentary stamp tax of One peso and twenty-five centavos (P1.25): *Provided*, That the tax herein imposed shall be increased to One peso and fifty centavos (P1.50) beginning 1996."

SEC. 7. Section 180 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 180. *Stamp tax on all loan agreements, promissory notes, bills of exchange, drafts, instruments and securities issued*

*by the government or any of its instrumentalities, certificates of deposit bearing interest and others not payable on sight or demand.* – On all loan agreements signed abroad wherein the object of the contract is located or used in the Philippines; bills of exchange (between points within the Philippines), drafts, instruments and securities issued by the Government or any of its instrumentalities or certificates of deposits drawing interest, or orders for the payment of any sum of money otherwise than at sight or on demand, or on all promissory notes, whether negotiable or non-negotiable, except bank notes issued for circulation, and on each renewal of any such note, there shall be collected a documentary stamp tax of Thirty centavos (P0.30) on each two hundred pesos, or fractional part thereof, of the face value of any such agreement, bill of exchange, draft, certificate of deposit, or note: *Provided*, That only one documentary stamp tax shall be imposed on either loan agreement, or promissory notes issued to secure such loan, whichever will yield a higher tax: *Provided, however*, That loan agreements or promissory notes the aggregate of which does not exceed Two hundred fifty thousand pesos (P250,000) executed by an individual for his purchase on installment for his personal use or that of his family and not for business, resale, barter or hire of a house, lot, motor vehicle, appliance or furniture shall be exempt from the payment of the documentary stamp tax provided under this section."

SEC. 8. Section 184 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 184. *Stamp tax on policies of insurance upon property.* – On all policies of insurance or other instruments by whatever name the same may be called, by which insurance shall be made or renewed upon property of any description, including rents or profits, against peril by sea or on inland waters, or by fire or lightning, there shall be collected a documentary stamp tax of Fifty centavos (P0.50) on each four pesos, or fractional part thereof, of the amount of premium charged: *Provided, however*, That no documentary stamp tax shall be collected on reinsurance contracts or on any instrument by which cession or acceptance of insurance risks under any reinsurance agreement is effected or recorded."

SEC. 9. Section 185 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 185. *Stamp tax on fidelity bonds and other insurance policies.* – On all policies of insurance or bonds or obligations of the nature of indemnity for loss, damage, or liability made or renewed by any person, association, company or corporation transacting the business of accident, fidelity, employer's liability, plate, glass, steam boiler, burglar, elevator, automatic sprinkler, or other branch of insurance (except life, marine, inland, and fire insurance), and all bonds, undertakings, or recognizances, conditioned for the performance of the duties of any office or position, for the doing or not doing of anything therein specified, and on all obligations guaranteeing the validity or legality of any bonds or other obligations issued by any province, city, municipality, or other public body or organization, and on all obligations guaranteeing the title to any real estate, or guaranteeing any mercantile credits, which may be made or renewed by any such person, company or corporation, there shall be collected a documentary stamp tax of Fifty centavos (P0.50) on each four pesos, or fractional part thereof of the premium charged."

SEC. 10. Section 186 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 186. *Stamp tax on policies of annuities and pre-need plans.* – On all policies of annuities, or other instruments by whatever name the same may be called, whereby an annuity may be made, transferred, or redeemed, there shall be collected a documentary stamp tax of One peso and fifty centavos (P1.50), on each two hundred pesos, or fractional part thereof, of the capital of the annuity, or should this be unknown, then on each two hundred pesos, or fractional part thereof, of thirty-three and one-third times the annual income. On pre-need plans, the documentary stamp tax shall be at Fifty centavos (P0.50) on each Five hundred pesos (P500.00), or fractional part thereof, of the value or amount of the plan."

SEC. 11. Section 187 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 187. *Stamp tax on indemnity bonds.* – On all bonds for indemnifying any person, firm or corporation who shall become bound or engaged as surety for the payment of any sum of money or for the due execution or performance of the duties of any office or position or to account for money received by virtue thereof, and on all other bonds of any description, except such as may be required in legal proceedings, or are otherwise provided for herein, there shall be collected a documentary stamp tax of Ten centavos (P0.10) on each four pesos or fractional part thereof of the premium charge: *Provided*, That the tax herein imposed shall be increased to Thirty centavos (P0.30) on each four pesos or fractional part thereof of the premium charged beginning 1996."

SEC. 12. Section 188 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 188. *Stamp tax on certificates.* – On each certificate of damage or otherwise, and on every other certificate or document issued by any customs officer, marine surveyor, or other person acting as such, and on each certificate issued by a notary public, and on each certificate of any description required by law or by rules or regulations of a public office, or which is issued for the purpose of giving information, or establishing proof of a fact, and not otherwise specified herein, there shall be collected a documentary stamp tax of Ten pesos (P10.00): *Provided*, That the tax herein imposed shall be increased to Fifteen pesos (P15.00) beginning 1996."

SEC. 13. Section 189 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 189. *Stamp tax on warehouse receipts.* – On each warehouse receipt for property held in storage in a public or private warehouse or yard for any other person other than the proprietor of such warehouse or yard, there shall be collected a documentary stamp tax of Ten pesos (P10.00): *Provided*, That no tax shall be collected on each warehouse receipt issued to any one of person in any one calendar month covering property the value of which does not exceed two hundred pesos: *Provided, further*, That the tax herein imposed shall be increased to Fifteen pesos (P15.00) beginning 1996."

SEC. 14. Section 190 of the National Internal Revenue Code, as amended by Sec. 2 of Executive Order No. 194 series of 1987, is hereby further amended to read as follows:

"SEC. 190. *Stamp tax on jai-alai, horse race tickets, lotto, or other authorized numbers games.* – On each jai-alai, horse race tickets, lotto, or other authorized numbers games, there shall be collected a documentary stamp tax of Ten centavos (P0.10): *Provided*, That if the cost of the ticket exceeds One peso (P1.00) , an additional tax of Ten centavos (P0.10) on every One peso (P1.00) or fractional part thereof shall be collected."

SEC. 15. Section 191 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 191. *Stamp tax on bills of lading or receipts.* – On each set of bills of lading or receipts (except charter party) for any goods, merchandise, or effects shipped from one port or place in the Philippines to another port or place in the Philippines (except on ferries across rivers), or to any foreign port, there shall be collected a documentary stamp tax of One peso (P1.00), if the value of such goods exceed One hundred pesos (P100.00), and does not exceed One thousand pesos (P1,000.00); Ten pesos (P10.00) if the value exceeds One thousand pesos (P1,000.00): *Provided, however*, That freight tickets covering goods, merchandise or effects carried as accompanied baggage of passengers on land and water carriers primarily engaged in the transportation of passengers are hereby exempt."

SEC. 16. Section 192 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 192. *Stamp tax on proxies.* – On each proxy for voting at any election for officers of any company or association, or for any other purpose, except proxies issued affecting the affairs of associations or corporations organized for religious, charitable, or literary purposes, there shall be collected a documentary stamp tax of Ten pesos (P10.00): *Provided*, That the tax herein imposed shall be increased to Fifteen pesos (P15.00) beginning 1996."

SEC. 17. Section 193 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 193. *Stamp tax on powers of attorney.* – On each power of attorney to perform any act whatsoever, except acts connected with the collection of claims due from or accruing to the Government of the Republic of the Philippines, or the government of any province, city or municipality, there shall be collected a documentary stamp tax of Five pesos (P5.00)."

SEC. 18. Section 194 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 194. *Stamp tax on leases and other hiring agreements.* – On each lease, agreement, memorandum, or contract for hire, use or rent of any lands or tenements, or portions thereof, there shall be collected a documentary stamp of Three pesos (P3.00) for the first Two thousand pesos (P2,000.00), or fractional part thereof, and an additional One peso (P1.00) for every One thousand pesos (P1,000.00) or fractional part thereof in excess of the first Two thousand pesos (P2,000.00) for each year of the term of said contracts or agreement."

SEC. 19. Section 195 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 195. *Stamp tax on mortgages, pledges, and deeds of trust.* – On every mortgage or pledge of lands, estate, or property, real or personal, heritable or movable, whatsoever, where the same shall be made as a security for the payment of any definite and certain sum of money lent at the time or previously due and owing or forborne to be paid being payable, and on any conveyance of land, estate, or property whatsoever, in trust or to be sold, or otherwise converted into money which shall be and intended only as security, either by express stipulation or otherwise, there shall be collected a documentary stamp tax at the following rates:

"(a) When the amount secured does not exceed five thousand pesos, Twenty pesos (P20.00);



"(b) On each five thousand pesos, or fractional part thereof in excess of five thousand pesos, an additional tax of Ten pesos (P10.00).

"On any mortgage, pledge, or deed of trust, where the same shall be made as a security for the payment of a fluctuating account or future advances without fixed limit, the documentary stamp tax on such mortgage, pledge or deed of trust shall be computed on the amount actually loaned or given at the time of the execution of the mortgage, pledge, or deed of trust. However, if subsequent advances are made on such mortgage, pledge or deed of trust, additional documentary stamp tax shall be paid which shall be computed on the basis of the amount advanced or loaned at the rates specified above: *Provided, however*, That if the full amount of the loan or credit, granted under the mortgage, pledge or deed of trust is specified in such mortgage, pledge or deed of trust, the documentary stamp tax prescribed in this section shall be paid and computed on the full amount of the loan or credit granted."

SEC. 20. Section 196 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 196. *Stamp tax on deeds of sale and conveyance of real property.* – On all conveyances, deeds, instruments, or writings, other than grants, patents, or original certificates of adjudication issued by the Government, whereby any lands, tenements or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to the purchaser, or purchasers, or to any other person or persons designated by such purchaser or purchasers, there shall be collected a documentary stamp tax at the following rates:

"(a) When the consideration, or value received or contracted to be paid for such realty, after making proper allowance of any encumbrance, does not exceed one thousand pesos, Fifteen pesos (P15.00).

"(b) For each additional one thousand pesos, or fractional part thereof in excess of one thousand pesos of such consideration or value, Fifteen pesos (P15.00).

"When it appears that the amount of the documentary stamp tax payable hereunder has been reduced by an incorrect statement, of the consideration in any conveyance, deed, instrument, or writing subject to such tax the Commissioner, provincial or city treasurer, or other revenue officer shall from the assessment rolls or other reliable source of information, assess the property of its true market value and collect the proper tax thereon."

SEC. 21. Section 197 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 197. *Stamp tax on charter parties and similar instruments.* – On every charter party, contract, or agreement for the charter of any ship, vessel, or steamer, or any letter or memorandum or other writing between the captain, master, or owner, or other person acting as agent of any ship, vessel, or steamer and any other person or persons for or relating to the charter of any such ship, vessel, or steamer, and on any renewal or transfer of such charter, contract, agreement, letter or memorandum, there shall be collected a documentary stamp tax at the following rates:

"(a) If the registered gross tonnage of the ship, vessel, or steamer does not exceed one thousand tons, and the duration of the charter or contract does not exceed six months, Five hundred pesos (P500.00); and for each month or fraction of a month in excess of six months, an additional tax of Fifty pesos (P50.00) shall be paid.

"(b) If the registered gross tonnage exceeds one thousand tons and does not exceed ten thousand tons, and the duration of the charter or contract does not exceed six months, One thousand pesos (P1,000.00); and for each month or fraction of a month in excess of six months, an additional tax of One hundred pesos (P100.00) shall be paid.

"(c) If the registered gross tonnage exceeds ten thousand tons and the duration of the charter or contract does not exceed six months, One thousand five hundred pesos (P1,500.00); and

for each month or fraction of a month in excess of six months, an additional tax of One hundred fifty pesos (P150) shall be paid."

SEC. 22. The incremental revenues from the increase in the documentary stamp taxes under this Act shall be set aside for the following purposes:

(a) In 1994 and 1995, twenty-five percent (25%) thereof respectively, shall accrue to the Unified Home-Lending Program under Executive Order No. 90 particularly for mass-socialized housing program to be allocated as follows: fifty percent (50%) for mass-socialized housing; thirty percent (30%) for the community mortgage program; and twenty percent (20%) for land banking and development to be administered by the National Housing Authority: *Provided*, That not more than one percent (1%) of the respective allocations hereof shall be used for administrative expenses;

(b) In 1996, twenty-five percent (25%) thereof to be utilized for the National Health Insurance Program that hereafter may be mandated by law; and

(c) In 1994 and every year thereafter, twenty-five percent (25%) thereof shall accrue to a Special Education Fund to be administered by the Department of Education, Culture and Sports for the construction and repair of school facilities, training of teachers, and procurement or production of instructional materials and teaching aids;

(d) In 1994 and every year thereafter, fifty percent (50%) thereof shall accrue to a Special Infrastructure Fund for the construction and repair of roads, bridges, dams and irrigation, seaports, and hydroelectric and other indigenous power projects: *Provided, however*, That for the years 1994 and 1995, thirty percent (30%), and for the years 1996, 1997 and 1998, twenty percent (20%), of this fund shall be allocated for depressed provinces as declared by the President as of the time of the effectivity of this Act: *Provided, further*, That availments under this fund shall be determined by the President on the basis of equity.

*Provided, finally,* That in paragraphs b, c, and d of this section not more than one percent (1%) of the allocated funds thereof shall be used for administrative expenses by the implementing agencies.

SEC. 23. The Secretary of Finance shall, upon the recommendation of the Commissioner of Internal Revenue, promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 24. All laws, decrees, orders, rules and regulations, or any part thereof, which are inconsistent with this Act, are hereby repealed or modified accordingly.

SEC. 25. If for any reason, any section or provision of this Act is declared to be unconstitutional, the other sections or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SEC. 26. This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) national newspapers of general circulation whichever comes earlier.

Approved, December 23, 1993.