

RA 7042

19
7

Congress of the Philippines }
First Regular Session

SENATE

S. NO. 32

INTRODUCED BY SENATORS ROMULO, GUINGONA, JR.,
SHAHANI, RASUL, OSMEÑA, HERRERA AND
MACAPAGAL-ARROYO

AN ACT AMENDING CERTAIN SECTIONS OF
CHAPTER 2, TITLE X OF THE NATIONAL
INTERNAL REVENUE CODE AS AMENDED

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

1 SECTION 1. Section 253 is hereby amended to read as follows:
2 "SEC. 253. *Attempt to evade or defeat tax.* - Any
3 person who willfully attempts in any manner to evade or
4 defeat any tax imposed under this Code or the payment
5 thereof shall, in addition to other penalties provided by law,
6 upon conviction thereof, be fined not [more] LESS than
7 [ten] TWENTY thousand pesos BUT NOT MORE THAN
8 ONE HUNDRED THOUSAND PESOS or imprisoned for
9 not [more] LESS than two years, [or both] BUT NOT
10 MORE THAN FOUR YEARS FOR THE FIRST
11 OFFENSE, AND IMPRISONED FOR NOT LESS THAN

1 TWO YEARS BUT NOT MORE THAN FOUR YEARS
2 FOR SUBSEQUENT OFFENSES.”

3 SEC. 2. Section 254 is hereby amended to read as follows:

4 “ SEC. 254. *Failure to file return, supply*
5 *information, pay tax, withhold and remit tax.* - Any person
6 required under this Code or by regulations promulgated
7 thereunder to pay any tax, make a return, keep any records,
8 or supply any information, who willfully fails to pay such
9 tax, make such return, keep such records, or supply such
10 information, or withhold or remit taxes withheld, at the
11 time or times required by law or regulations, shall, in
12 addition to other penalties provided by law, upon
13 conviction thereof, be fined not less than [five] TEN
14 thousand pesos [nor] BUT NOT more than Fifty
15 thousand pesos, or imprisoned for not less than [six
16 months and one day] ONE YEAR but not more than [five]
17 THREE years [, or both] FOR THE FIRST OFFENSE,
18 AND IMPRISONED FOR NOT LESS THAN ONE YEAR
19 BUT NOT MORE THAN THREE YEARS FOR SUBSE-
20 QUENT OFFENSES.

21 “ Any person who attempts to make it appear for
22 any reason that he or another has in fact filed a return or
23 statement, or actually files a return of statement and
24 subsequently withdraws the same return or statement after
25 securing the official receiving seal or stamp of receipt of

1 an internal revenue office wherein the same was actually
 2 filed shall, upon conviction therefor be fined not less than
 3 [three] SIX thousand pesos BUT NOT MORE THAN
 4 TWENTY THOUSAND PESOS or imprisoned for not
 5 [more] LESS than one YEAR [,or both] BUT NOT MORE
 6 THAN THREE YEARS FOR THE FIRST OFFENSE,
 7 AND IMPRISONED FOR NOT LESS THAN ONE YEAR
 8 BUT NOT MORE THAN THREE YEARS FOR SUBSE-
 9 QUENT OFFENSES.”

10 SEC. 3. Section 255 is hereby amended to read as follows:

11 “SEC. 255. *Penal liability of corporations.* - Any
 12 corporation, association or general co-partnership liable for
 13 any of the acts or omissions penalized under this Code, in
 14 addition to the penalties imposed herein upon the
 15 responsible corporate officers, partners or employees, shall,
 16 upon conviction, for each act or omission be fined for not
 17 less than [ten] TWENTY thousand pesos but not more
 18 than one hundred thousand pesos.”

19 SEC. 4. Section 256 is hereby amended to read as follows:

20 “SEC. 256. *Penal liability for making false entries,*
 21 *records or reports.* - (a) Any independent certified public
 22 accountant engaged to examine and audit books of
 23 accounts of taxpayers under subparagraph (a) of Section
 24 232 and any person under his direction who:

- 25 (1) willfully falsifies any report or statement

1 bearing on any examination or audit, or renders a
 2 report, including exhibits, statements, schedules or
 3 other forms of accountancy work which has not been
 4 verified by him personally or under his supervision
 5 or by a member of his firm or by a member of his staff
 6 in accordance with sound auditing practices, or

7 (2) certifies financial statements of a business
 8 enterprise containing an essential misstatement of
 9 facts or omission in respect of the transactions,
 10 taxable income, deduction and exemption of his
 11 client, or

12 (b) Any person who:

13 (1) not being an Independent Certified Public
 14 Accountant according to subparagraph (B) of Section
 15 232, examines and audits books of accounts of taxpay-
 16 ers, or

17 (2) offers to sign and certify financial statements
 18 without audit, or

19 (3) offers any taxpayer the use of accounting
 20 bookkeeping records for internal revenue purposes
 21 not in conformity with the requirements prescribed in
 22 this Code or regulations promulgated thereunder, or

23 (4) knowingly makes any false entry or enters
 24 any false or fictitious name in the books of accounts
 25 or records mentioned in the preceding paragraphs, or

1 (5) keeps two or more sets of such records or
2 books of accounts, or

3 (6) in any way commits an act or omission,
4 in violation of the provisions of this Section, or

5 (7) fails to keep the books of accounts or
6 records mentioned in Section 232 in a native
7 language. English, or Spanish, or to make a true and
8 complete translation as required in Section 234 of
9 this Code, or whose books of accounts or records kept
10 in a native language, English or Spanish are found to
11 be at material variance with books or records kept
12 by him in another language,

13 shall upon conviction for each act or omission be
14 punished by a fine of not less than [ten] TWENTY
15 thousand pesos but not more than Fifty thousand pesos or
16 [by] imprisonment of not less than [four] TWO years
17 [and one day] but not more than six years [, or both] FOR
18 THE FIRST OFFENSE, AND IMPRISONMENT OF NOT
19 LESS THAN TWO YEARS BUT NOT MORE THAN SIX
20 YEARS FOR SUBSEQUENT OFFENSES.”

21 SEC. 5. Section 257 is hereby amended to read as follows:

22 “SEC. 257. *Unlawful pursuit of business.* - Any
23 person who carries on any business for which a privilege
24 tax is imposed without paying the tax as required by law
25 shall, upon conviction for each act or omission, be fined not

1 less than [one] FIVE thousand pesos but not more than
 2 [five] TWENTY thousand pesos or imprisoned for not
 3 less than [one] SIX monthS but not more than [six months,
 4 or both] TWO YEARS FOR THE FIRST OFFENSE, AND
 5 IMPRISONED FOR NOT LESS THAN SIX MONTHS
 6 BUT NOT MORE THAN TWO YEARS FOR SUBSE-
 7 QUENT OFFENSES: *Provided*, That in case of a person en-
 8 gaged in the business of distilling, rectifying, repacking,
 9 compounding or manufacturing any article subject to
 10 excise tax, he shall upon conviction for each act or omission
 11 be fined for not less than [five] TEN thousand pesos but not
 12 more than [twenty-five] FIFTY thousand pesos or
 13 imprisoned for a term of not less than [six months but not
 14 more than three years, or both] TWO YEARS BUT NOT
 15 MORE THAN FOUR YEARS FOR THE FIRST OF-
 16 FENSE, AND IMPRISONED FOR NOT LESS THAN
 17 TWO YEARS BUT NOT MORE THAN FOUR YEARS
 18 FOR SUBSEQUENT OFFENSES.”

19 SEC. 6. Section 258 is hereby amended to read as follows:

20 “SEC. 258. *Illegal collection of foreign payments.*
 21 - Any person who knowingly undertakes the collection of
 22 foreign payments as provided under Section 60 of this Code
 23 without having obtained a license therefor, or without
 24 complying with its implementing regulations, shall, upon
 25 conviction for each act or omission, be fined for not less

1 than [five] TEN thousand pesos [nor] BUT NOT more
 2 than [twenty-five] FIFTY thousand pesos or imprisoned
 3 for not less than [six months] ONE YEAR but not more
 4 than three years [, or both] FOR THE FIRST OFFENSE,
 5 AND IMPRISONED FOR NOT LESS THAN ONE YEAR
 6 BUT NOT MORE THAN THREE YEARS FOR
 7 SUBSEQUENT OFFENSES.”

8 SEC. 7. Section 263 is hereby amended to read as follows:

9 “ SEC. 263. *Failure or refusal to issue receipts or*
 10 *sales or commercial invoices; violations related to the*
 11 *printing of such receipts or invoices and other*
 12 *violation. -*

13 (a) Any person who, being required under Section
 14 238 to issue receipts or sales or commercial invoices, fails
 15 or refuses to issue such receipts or invoices, issues
 16 receipts or invoices that do not truly reflect and/or contain
 17 all the information required to be shown therein or uses
 18 multiple or double receipts or invoices, shall, upon conviction,
 19 for each act or omission, be fined not less than
 20 [one] TWO thousand pesos but not more than Fifty
 21 thousand pesos or imprisoned for a term of not less than
 22 [six months and one day] ONE YEAR but not more than
 23 [two] THREE YEARS [, or both] FOR THE FIRST
 24 OFFENSE AND IMPRISONED FOR NOT LESS THAN
 25 ONE YEAR BUT NOT MORE THAN THREE YEARS

1 FOR SUBSEQUENT OFFENSES.

2 x x x "

3 SEC. 8. SEC. 264 is hereby amended to read as follows:

4 "SEC. 264. *Offenses relating to stamps.* - Any
5 person who commits any of the acts enumerated hereunder
6 shall upon conviction thereof, be fined not [more] LESS
7 than ten thousand pesos BUT NOT MORE THAN FIFTY
8 THOUSAND PESOS or imprisoned for not [more] LESS
9 than [five] THREE years [, or both] BUT NOT MORE
10 THAN SIX YEARS FOR THE FIRST OFFENSE, AND
11 IMPRISONED FOR NOT LESS THAN THREE YEARS
12 BUT NOT MORE THAN SIX YEARS FOR SUBSE-
13 QUENT OFFENSES. x x x "

14 SEC. 9. Section 265 is hereby amended to read as follows:

15 "SEC. 265 *Failure to obey summons.* - Any person
16 who, being duly summoned to appear to testify, or to appear
17 and produce books of accounts, records, memoranda, or
18 other papers, or to furnish information as required under the
19 pertinent provisions of this Code, neglects to appear or to
20 produce such books of accounts, records, memoranda, or
21 other papers, or to furnish such information, shall, upon
22 conviction, be fined not less than [one] FIVE thousand
23 pesos BUT NOT MORE THAN TEN THOUSAND
24 PESOS or imprisoned for not [more] LESS than one year
25 [, or both] BUT NOT MORE THAN TWO YEARS FOR

1 THE FIRST OFFENSE, AND IMPRISONED FOR NOT
2 LESS THAN ONE YEAR BUT NOT MORE THAN TWO
3 YEARS FOR SUBSEQUENT OFFENSES.”

4 SEC. 10. *Rules and Regulations.* - The Secretary of Finance
5 shall, upon recommendation of the Commissioner of Internal Revenue,
6 promulgate the necessary rules and regulations for the effective
7 implementation of this Act.

8 SEC. 11. *Repealing Clause.* - All laws, decrees, orders, rules
9 and regulations, and other issuances, inconsistent with the provisions
10 of this Act are hereby repealed or amended accordingly.

11 SEC. 12. *Effectivity.* - This Act shall take effect after publication
12 in at least two (2) newspapers of general circulation.

Approved,