

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

000000 **291**
House Bill No. _____

Introduced by **HONORABLE DANILO E. SUAREZ**

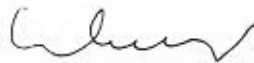
EXPLANATORY NOTE

An official receipt is essential in tax administration. It reflects the taxable sales of commercial establishment to which the latter's tax dues will be based. It is an effective instrument in verifying if the taxpayer is paying its/his/her tax accordance with existing laws and regulations.

The issuance of an official receipt is a recognition of the consumer's right. As such, consumers are always reminded to be vigilant in the protection of their rights by asking receipts so that commercial establishments cannot escape its responsibility to issue receipts.

It has been eleven (11) years since the passage of the Tax Code, but there are no amendments introduced for Section 264 of the NIRC. Section 264 penalizes establishments for failure or refusal to issue receipts or sales or commercial invoices. It imposes a minimum fine of Php 1,000 and the maximum fine of Php 50,000. At present, these penalties are negligible and ineffective in deterring violators thereof. Although it is the most violated provision, only a few cases have been prosecuted. Considering its impact on revenue collection, it is imperative to give sharper teeth to this provision.

Passage of this measure is earnestly requested.


DANILO E. SUAREZ
Representative
Third District, Province of Quezon

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AN ACT AMENDING SECTION 264 (a) OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND PROVIDING PENALTIES THEREFOR

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

SECTION 1. Section 264 of the National Internal Revenue Code of 1997 is hereby amended to read as follows:

SEC. 264. Failure or refusal to issue Receipts or Sales or Commercial Invoices AND PROVIDING FOR PENALTIES THEREOF, Violations related to the Printing of such Receipts or Invoices and Other Violations.-

- (a) Any person who, being required under Section 237 to issue receipts or sales or commercial invoices, fails or refuses to issue such receipts or invoices, issues receipts or invoices that do not reflect and/or contain all the information required to be shown therein, or uses multiple or double receipts or invoices, shall upon conviction for [each] SUCH act or omission, be punished by a fine of not less than [One] TWENTY thousand pesos [Php 1,000] Php 20,000 but not more than [Fifty] ONE HUNDRED thousand pesos [Php 50,000] (Php 100,000) and suffer imprisonment of not less than [two (2)] THREE years but not more than [four (4)] SIX years. PROVIDED THAT AN ADDITIONAL PENALTY OF SUSPENSION OF BUSINESS REGISTRATION FOR ONE (1) YEAR SHALL BE IMPOSED BY THE CONCERNED GOVERNMENT AGENCY AND A MAXIMUM PENALTY OF BUSINESS CLOSURE DISQUALIFYING THE BUSINESS AND ITS OFFICERS FROM FURTHER ENGAGING IN ANY BUSINESS SHALL BE IMPOSED FOR THE THIRD OFFENSE. IN CASE OF CORPORATIONS, PARTNERSHIPS OR ASSOCIATIONS, THE PENALTY SHALL BE IMPOSED ON THE PRESIDENT, PARTNER, GENERAL MANAGER, BRANCH MANAGER, OFFICER-IN-CHARGE AND/OR EMPLOYEES RESPONSIBLE FOR THE VIOLATION.

THE SUSPENSION OF BUSINESS REGISTRATION SHALL STILL APPLY IF DURING THE PERIOD OF SUSPENSION, ANOTHER BUSINESS NAME HAVING THE SAME NATURE AND PURPOSE HAS BEEN FORMED BY THE SAME PROPRIETOR, RESPONSIBLE OFFICERS, OR PERSONS HAVING CONTROLLING INTEREST IN THE SUSPENDED ENTITY.

THE RESPECTIVE GOVERNMENT AGENCIES SHALL PERIODICALLY POST A LIST OF SUSPENDED ENTITIES AND ITS RESPONSIBLE PERSONS OR OFFICERS AS WELL AS ENTITIES WHICH HAVE BEEN CLOSED DUE TO VIOLATIONS OF THIS SECTION.

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SECTION 2. Separability Clause. -If any part of this Act is held invalid of unconstitutional, the other parts or provisions thereof shall remain valid and effective.

SECTION 3. Repealing Clause. -All laws, decrees, executive orders, rules and regulations and other issuance or parts thereof which are inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 4. Effectivity. -This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any two (2) newspaper of general circulation, whichever date comes earlier.