

Republic of the Philippines  
Province of Davao Oriental  
**Municipality of Mati**

**TANGGAPAN NG SANGGUNIANG BAYAN**

**EXCERPT FROM THE MINUTES TAKEN DURING THE REGUALR SESSION  
OF THE SANGGUNIANG BAYAN HELD IN THE MUNICIPAL SESSION HALL  
ON JUNE 8, 1993.**

**PRESENT:**

Hon. Noli S. Balugo	Vice Mayor – Presiding
Hon. Panlileo T. Cambing	Kagawad
Hon. Virgilia M. Albao	Kagawad
Hon. Arturo Q. Garcia	Kagawad
Hon. Arturo M. Ravelo	Kagawad
Hon. Joel D. Valles	Kagawad
Hon. Ruben T. Linsag	Kagawad
Hon. Teodulo M. Ponte	Kagawad
Hon. Antonio G. Gonzalez	ABC President
Hon. Ana Liezel T. Olvida	SK Chairman

**ABSENT:**

Hon. Segundo D. De Erio	Kagawad (On Leave)
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**TAX ORDINANCE NO. 02, S. 1993**

**AN ORDINANCE AMENDING, REVISING AND CODIFYING EXISTING TAX  
ORDINANCES, OTHERWISE KNOWN AS THE TAX CODE OF THE  
MUNICIPALITY OF MATI, DAVAO ORIENTAL.**

Be it ordained by the Sangguniang Bayan, Municipality of Mati, Davao Oriental, that:

**CHAPTER I – GENERAL PROVISIONS**

**ARTICLE 1. - TITLE -**

This Ordinance shall be known as the REVISED TAX CODE OF THE MUNICIPALITY OF MATI, PROVINCE OF DAVAO ORIENTAL.

**ARTICLE 2. - SCOPE -**

Subject to the provisions of the Local Government Code of 1991 and other related laws, as amended, this Ordinance shall govern the levy, assessment and collection of taxes, fees and charges, and other incidental impositions,

procedures, rules and regulations in the implementation thereof within the territorial jurisdiction of the Municipality of Mati, Davao Oriental.

### **ARTICLE 3. - LIMITATIONS -**

Unless otherwise provided under the Local Government Code of 1991, the exercise of the taxing powers of the Municipality shall not extend to the levy of the following:

- a) Income Tax, except when levied on the banks and other financial institutions;
- b) Documentary stamp tax;
- c) Taxes on estates, inheritance, gifts, legacies and other acquisitions mortis causa, except otherwise provided under the Local Government Code of 1991;
- d) Customs duties, registration fees of vessels and wharfage on wharves, tonnage dues and all other kinds of customs fees, charges and dues except wharfage on wharves constructed and maintained by the municipal government;
- e) Taxes, fees and charges and other impositions upon goods carried into or out of, or passing through the territorial jurisdiction of the Municipality of Mati, Davao Oriental, in the guise of charges for wharfage, tolls for bridges or otherwise, or other taxes, fees or charges in any form whatsoever upon such goods or merchandise;
- f) Taxes, fees or charges on agricultural or aquatic products when sold by marginal farmers or fishermen;
- g) Taxes on business enterprises certified to by the Board of Investments as pioneer or non-pioneer for the period of six (6) or four (4) years, respectively from the date of registration;
- h) Excise taxes on articles enumerated under the National Revenue Code, as amended, and taxes, fees or charges on petroleum products;
- i) Percentage or value-added tax (VAT) on sales, barter or exchange or similar transactions on goods or services except as otherwise provided under the Local Government Code of 1991;
- j) Taxes on the gross receipts of transportation contractors and person engaged in the transportation of passengers or freight by hire and common carriers by air, land or water except as provided under the Local Government Code of 1991;
- k) Taxes on petroleums paid by way of reinsurance or retrocession;
- l) Taxes, fees or charges for the registration of vehicles or for the issuance of all kinds of licenses or permits for the driving thereof, except tricycles;
- m) Taxes, fees or other charges on Philippine products actually exported, except as otherwise provided under the Local Government Code of 1991;
- n) Taxes, fees or charges on Countryside and Barangay Business Enterprise and cooperative duly registered under R.A. 6810 and Republic Act Numbered Sixty-Nine Hundred Thirty-eight (R.A. 6938) otherwise known as the "Cooperative Code of the Philippines", respectively; and

- o) Taxes, fees, or charges of any kind on the National Government, its agencies and instrumentalities and other local government units.

**ARTICLE 4. - RULES OF CONSTRUCTION AND INTERPRETATION -**

**SECTION 1. WORDS AND PHRASES NOT HEREIN EXPRESSLY DEFINED.**

Words and phrases embodied in this code not herein specifically defined shall have the same definitions as found in PD 231, as amended, unless otherwise provided under RA 7160, otherwise known as the Local Government Code of 1991.

**SECTION 2. RULES OF CONSTRUCTION.** In construing the provisions of this Code, the following rules of construction shall be observed unless inconsistent with the manifest intent of the provisions or when applied, they would lead to absurd or highly improbable results.

- a) General Rule – all words and phrases shall be construed and understood according to the common and approved usage of the language; but technical words and phrases and such other words in this Code which have acquired a peculiar or appropriate meaning shall be construed and understood according to such technical, peculiar or appropriate meaning.
- b) Gender and Number – Every word in this code importing the masculine gender shall extend to both male and female. Every word importing the plural number shall apply to several persons or things and every word importing singular number shall extend and apply to one person or thing.
- c) Computation of Time – The time within which act is to be done as provided in this Code or any regulation issued pursuant to the provision hereof, when expressed in days, shall be computed by excluding the first day and including the last day, except when the last day falls on Sunday or holiday in which case, the same shall be excluded from the computation, and the next business day shall be considered the last day.
- d) Reference – All references to Chapters, Articles, Sections, are the Chapters, Articles, and Sections, in this Code unless otherwise specified.
- e) Conflicting Provisions of Chapters – If the provisions of different chapters conflict with or contravene each other, the provisions of each chapter shall prevail as to all specific matters and questions involved thereon.
- f) Conflicting Provisions of Sections – If the provisions of different sections in the same chapter conflict with each other, the provision of the section which is last in point shall prevail.

## **ARTICLE 5. – DEFINITION OF TERMS –**

When used in this ordinance:

**ADMISSION FEE** – refers to the monetary consideration that a person/costumer pays to gain admission to any amusement place.

**ADVERTISING AGENCY** – includes all persons who are engaged in the business of advertising for others by means of billboards, posters, whether pictorials or reading matters, placards, notices, signs, directories, pamphlets, leaflets, handbills, electric or neon lights, airplanes, balloons or other media.

**AGRICULTURAL PRODUCTS** – Includes the yield of the soil such as corn, rice, wheat, rye, hay, coconuts, sugarcane, tobacco, root crops, vegetable, fruits, flowers and their by-products, ordinary salt, all kinds of poultry, livestock and animal products, whether in their original form or not.

The phrase “whether in their original form” refers to the transformation of said products by the farmer, fisherman, producer, or owner through the application of processes to preserve or otherwise to prepare said products for the market such as freezing, drying, salting, smoking, or stripping for purposes of preserving or otherwise preparing said products for the market.

**AMUSEMENT** – Is a pleasurable diversion of entertainment. It is synonymous to relaxation, avocation, pastime or fun.

**AMUSEMENT PLACES** – include theaters, cinemas, concert, balls, circuses and other places of amusement where one seeks admission to entertain oneself by seeing or viewing the show of performance.

**OTHER PLACES OF AMUSEMENT** – include all other places of amusement not specifically enumerated or otherwise provided for in this ordinance, including but not limited to night clubs or day clubs, night and day clubs cocktail lounges, super or family clubs, disco houses, minus-one or sing-along houses, bars or beer houses/gardens, fast food centers showing sports competitions or replay shows by direct hookup via satellite or those showing video cassette film/movies, beach resort and other places of amusement where one seek admission to entertain himself whether by seeing or viewing or by direct participation.

**ARRASTRE** – shall mean the operation of conveying or loading merchandise on piers or wharves.

**BANKS AND OTHER FINANCIAL INSTITUTIONS** – include non-bank financial, intermediaries, lending investors, finance and investment companies, pawnshops, money shops, insurance companies, stock markets, stock brokers and dealers in securities and foreign exchange as defined under applicable law or rules and regulations there under.

**BAR** – includes any place or establishment whose principal business is the sale of alcoholic beverages or liquors of any kind to be used or consumed within its premises shall be considered a night club, cabaret, dancing school, or dancing hall as the cases maybe.

**BOARDING HOUSE** – includes any houses where boarders are accepted for compensation by the week or by the month, and where meals served to boarders only.

**BONDSMAN** – means any person habitually engaged in the business or furnishing bonds in civil actions or for person arrested or detained for prosecution.

**BOXING ARENA OR STADIUM** – means a place or compound whether opened or enclosed, where only professional boxing contest are held.

**BOXING EXHIBITION** – includes every exhibition of the art of attack and defense with the fists.

**BREWER** – includes all persons who manufacture fermented liquor of any description for sale or delivery to others but does not include manufacturers of tuba, basi, tapuy, or similar domestic fermented liquor, whose production does not exceed two hundred gauge liters.

**BUSINESS AGENT** – include all person who act as agent of others in the transaction of business with any public officer as well as those who conduct collecting or advertising for another.

**BUSINESS** – means trade or commercial activity regularly engaged in as a means of livelihood or with a view to profit.

**CABARET/DANCE HALL** – includes any place or establishment where dancing is permitted to the public in consideration of any admission, entrance or any other fee paid on, before or after the dancing and where professional hostesses or dancers are employed.

**CALLING** – means one's regular business, trade, profession, vocation or employment, which does not require the passing of an appropriate government board or bar examination, such as professional actors and actresses, hostesses, masseurs, commercial steward and stewardess etc,

**CAPITAL** – signifies the actual estate, whether in money or property owned by an individual or corporation; it is a fund with which it transacts its business and which will be liable to its creditor, and which in case of insolvency, passes to a receiver.

**CAPITAL INVESTMENT** – is a capital which the person employs in any undertaking, or which he contributes to the capital of a partnership, corporation or any other juridical entity or association in a particular taxing jurisdiction.

**CARENDERIA** – refers to any public eating place where foods already cooked are served at a price.

**CHARGES** – refers to pecuniary liability as rents or fees against persons or property.

**CHIROPODIST** – means one skilled in treating diseases of the hand and feet; but is not restricted to the treatment of ailment of the feet.

**CIRCUS** – includes every building, tent, or areas where feats of horsemanship, acrobatic performance or similar acts are exhibited.

**CLUB** – includes any regular organized club, voluntary association or organized action maintained, conducted or controlled for the amusement, recreation or improvement of the members, thereof, for which an initiation is necessary or membership dues or fees are required before admission and that the same is not operated for profit.

**COCKPIT** – includes any place, compound, building or portion thereof, where cockfights are held whether or not money is bet on the result of such cockfights.

**COCKTAIL LOUNGE** – same definition as Super or Family Clubs.

**COLISEUM** – includes and amphitheater, covered or otherwise or place where professional or non-professional athletic competitions, including boxing exhibitions are held.

**COLLECTING AGENCY** – includes any person other than a practicing Attorney-at-Law engaged in the business of collecting or suing debts or liabilities placed in his hands, for said collection or suit, by subscribers or customers applying and paying thereof; while a “Mercantile Agency” is any person engaged in the business of gathering information as to financial standing ability or credit of person engaged in business, and reporting the same to subscribers, or to customers applying and paying thereof.

**COMMERCIAL BROKER** – includes all persons other than importers, manufacturers, producers or bonafide employees, who for compensation or profit, sell or bring about sale or purchase of merchandise for other persons, bring proposed buyers and sellers together, or negotiate freight or other business for owners of vessels or other means of transportation, or for the shippers, consignors, or non-consignors of freight carried by vessels or other means of transportation. The term includes commission merchants.

**COMPOUNDER** – comprises every person who, without rectifying, purifying or refining distilled spirits, wines, or any other liquor with any materials except water, manufactures any intoxicating beverage whatever.

**CONCERTO OR CONCERT** – a musical performance by a number of voices or instruments, or both; the combination of voices or instruments to produce harmony; A performance of musical before an audience. The term is sometimes reserved for performance by several musicians. The word concert originally meant a combination of performers (“a consort of voils”) rather than the performance itself.

**CONFISCATORY** – is that which amount to undue seizure or forfeiture of private property in favor of the public treasury.

**CONSUMER** – includes those who directly purchase or acquire from manufacturers, producers, and distributors of articles or goods for their direct use or consumption, or for distribution for the use or consumption of others as the end-users of ultimate consumers.

**CONTRACTOR** – includes persons, natural or juridical, not subject to professional tax under Section 139 of the Local Government Code, whose activity consist essentially of the sale of all kinds of services for a fee, regardless of whether or not the performance of service calls for the exercise or use of the physical or mental faculties of such contractor or his employees.

The term “contractor” shall include general engineering, general building and specialty contractors, as defined under applicable laws; filling, demolitions and salvage work contractors; proprietors or operators of mine drilling apparatus; proprietors or operators of dockyards; persons engaged in the installation of water system, and gas or electrical lights, heat, or power, proprietors or operators of melting plants; engraving, plating or plastic lamination establishments; proprietors or operators of establishment of repairing, repainting, upholstering, washing or greasing of vehicles, heavy equipment, vulcanizing, recapping, and battery charging proprietors or operators of furniture shops or establishment, door planning or surfacing and recutting of lumber, sawmills under contract to saw or to cut logs belonging to others; proprietors or operators for dry cleaning or dyeing establishments, steam laundries, and laundries using washing machines; proprietors or operators of shops for the repair of any kind of mechanical or electrical devices, instruments, apparatus or furniture and shoe repairing by machine or any mechanical contrivance; proprietors or operators of establishments or lots for parking purposes; proprietors or operators or tailoring shops, dress shops, milliners and batters, beauty parlors, barber shops, massage parlors, sauna, Turkish and Swedish baths, slenderizing and body building saloons and other establishments; photographic studios; funeral parlors; proprietors or operators of hotels, motels and lodging houses; proprietors or operators of arrastre and stevedoring, warehousing or forwarding establishments; master plumbers, smiths and house or sign painters; printer,

bookbinders, lithographers; publishers except those engaged in the publication of any newspaper, magazines, review for bulletin which appears for regular intervals with fixed prices for subscription and sale and which is not devoted principally to the publication of advertisements; business agents, private detective or watchman agencies, commercial and immigration brokers and cinematographic film owners, lessors and distributors.

**CONTRACTOR, INDEPENDENT** – include repair and welding shops; photo static; white/blue printing; recopying; or duplicating service; laundry shops; assaying laboratories; shipping agencies; collecting agencies; massage and therapeutic clinics construction and/or repair shops of motor and vehicles; animal – drawn vehicle; bicycles and/or tricycles; gold smiths and silver smiths; shops for shearing animals; lathe machine shops; vaciador shops; vulcanizing shops; stales, garages; parking lots and public warehouse and bodegas; blacksmiths; gasoline/diesel fuel service station; irrigation contractors; ham grading establishments; indenter and/or indent services; messengerial services; lightherages; plumbing installations; perma press establishments; video coverage business consultant and management agencies; skin care specialist or consultants; booking offices for local exchange (except imported films) , brokerages; drafting services; interior decorating services; dry cleaning or steam laundry establishments; employment agencies; private hospitals; medical and dental clinics; animal hospitals; public ferries; purchasing warehouses and bodegas; purchasing agents and/or purchasing agencies; rental of: document safety boxes, furniture, bicycles, vehicles, suits, skates brakes etc.; rent-a car services, sound system; roasting of pigs, fowls not sold for retail, sand and gravel contractors; sculpture shops; ship chandlers; tanneries; travel agencies; vocational and/or driving schools; watch repair centers and shops; silkscreen processing, t-shirt printing, woodcarving handicraft shops, off-track betting centers for races; Other independent contractors (Juridical or natural) not included among individuals subject to the professional tax and whose activity consists essentially of the sale of all kinds of services for a fee; landscaping contractors; customs brokers.

**CORPORATION** - includes partnerships, no matter how (cuentas en participacion) , associations or insurance companies but does not include general professional partnership and a joint venture or consortium formed for the purpose of undertaking construction projects engaging in petroleum, coal, geothermal and other energy operations pursuant to an operating or consortium agreement under a service contract with the government. General professional partnerships are partnerships formed by person for the sole purpose of exercising their common profession, no part of the income of which is derived from engaging in any trade or business.

The term “ resident foreign “ when applied to a corporation means a foreign corporation not otherwise organized under the laws of the Philippines but engaged in trade or business within the Philippines.



**COUNTRYSIDE AND BARANGAY BUSINESS ENTERPRISE** – refers to any business entity, association, or cooperative registered under the provisions of Republic Act Numbered Sixty-Eight Hundred Ten (R. A. No. 6810), otherwise known as “Magna Carta For Countryside And Barangay Business Enterprises (Kalakalan 20)”.

**DANCING PAVILLON** – includes any space within the duly licensed restaurant or other public places other than a night club or bar per the operator thereof allows the use of the said space by its patrons or customers for casual dancing to the accompaniment of music by the orchestra or rondalla or by an amplifier or jukebox.

**DANCING SCHOOL** – includes any establishment where ballroom dancing is taught and permitted to the public in consideration of an enrollment, admission, membership or any other fee.

**DEALER** – means one whose business is to buy and sell merchandise, goods and chattels as a merchant. He stands immediately between the producer or manufacturer and the consumer and depends for his profit not upon the labor he bestows upon his commodities but upon the skill and foresight with which he watches the market.

**DEALER IN SECURITIES** – include all persons who for their own account are, engaged in the sale of stock, bonds, exchange, bullion, coined money, bank notes, promissory notes, or other securities.

**DISTILLER OF SPIRIT** – comprises all who distill spirituous liquor by original and continuous distillation from mash, wort, wash, sap, or syrup through continuous closed vessels and pipe until manufactured thereof is complete.

**EXCESSIVE** – means that which is characterized by whatever is notably greater than what is moderate, reasonable, proper, usual, necessary and just.

**FEE** – means a charge fixed by law or ordinance for the regulation or inspection of a business or activity.

**FLASH POINT** – means the temperature at which liquid gives a vapor sufficient to form ignitable mixture with the air near the surface of the liquid or within the vessel use.

**FRANCHISE** – is a right or privilege affected with public interest which is conferred upon the private persons of corporation under such terms and conditions as the government and its political subdivisions may impose in the interest of the public welfare, security and safety.

**FROLIC DEVICE** – includes amusement rides, side shows, ferries, shooting galleries and booths with shows for amusement.

**GENERAL BUILDING CONTRACTOR** – is a person whose principal contracting business is in connection with any structure built, being built or to be built, for the support, shelter and enclosure of person, animals, chattels, or movable property of any kind, requiring in its construction the use of more than two unrelated building trades or crafts or to do or superintend the whole or any part thereof. Such structure includes sewers and sewerages disposal plants and systems, parts, playground and other recreational works, refineries, chemical plants and similar industrial plants, requiring specialized engineering knowledge and skill, power houses, power plants, and other utility plants and installations, mines and metallurgical plants, cement and concrete works in connection with the above mentioned fixed works.

A person who merely furnishes materials or supplies without fabricating them into or consuming them in the performance of the work of the general building contractor does not necessarily fall within this definition.

**GENERAL ENGINEERING CONTRACTOR** – is a person whose principal constructing business is in connection with fixed works requiring specialize engineering knowledge and skill including the following division or subjects: Irrigation, drainage, water, power, water supply, flood control, in-land water ways, harbors, docks and wharves, shift yards and ports, dams, hydro-electric projects, levees, river control and reclamation works, railroads, highways, waste reduction plants, bridges, overpasses, underpasses and other similar works, pipelines and other systems for the transmission of petroleum and other liquids or gaseous substances, land leveling, and earth moving projects, excavating, grading, trenching, paving and surfacing works.

**GOLF LINK** – includes any place, compound or any portion thereof, where for a free or compensation, customers are allowed to play golf or simulated golf games or practice golf.

**GROSS OUTPUT** – means the actual market value of the manufactured or produced products without any deduction for manufacturing, producing, milling, transporting, handling, marketing or any other expenses, except in the case of manufacturer or producer under the term CIF, in which case the actual cost of ocean freight and insurance shall be deducted.

**GROSS RECEIPTS** – include all money and properties receive in consideration of services rendered or articles sold, exchange or lease, without any deduction: or the whole amount of the receipt of the business before the cause of production is deducted there from.

**GROSS RECEIPTS OF HOTELS, RESTAURANTS, ETC.** – means that charges or prices or compensation paid by the guest for their lodging, meals, and for such

other services and attention as or necessarily incident to the use of hotels as temporary abode. In the case of restaurants, café or refreshment parlor, it refers to the charges, prices or compensation for the meals, cooked foods, or refreshment served to the patrons. Representing the contract price, compensation of service fee including the amount of charged or materials supplied may the services and deposits of advance payments actually or constructively received during the taxable quarter for the service performed or to be performed for another person excluding discounts if determinable as the time of sales, sales return excess tax and value-added tax (VAT).

**HOSTESS** – woman entertainer whose services are hired by a night club or day club operator for the purpose of entertaining its patrons, guests or customers, allowing said hostess to dance and/or converse, talk or chat with them usually for an honorarium at the discretion of the patrons, guests or customers.

**HOTEL** – includes any house or building or portion thereof in which any person or persons may be regularly harbored or received as transients or guests. A hotel shall be considered as living quarters and shall have the privilege to accept any number of guests therein and to serve food to them.

**IMPORTER** – means any person who brings article, goods, wear or merchandise of any kind or class into the Philippines from abroad, for unloading therein, or which after such entry are consumed herein to become incorporated into the general mass of property in the Philippines. In the case of tax-free articles brought or imported into the Philippines by person's entities or exchange in the Philippines to non-exempt private persons or entities the purchasers or the recipients shall be considered importers thereof.

**JAI-ALAI** – means a place, usually enclosed and built for the purpose were pelotary game is played and money is bet on the game.

**JUKE BOX** – means a musical instrument mechanically device for the purpose of furnishing music for compensation.

**LENDING INVESTOR** – includes all persons who make a practice of lending money for themselves or others at interest.

**LEVY** – means an imposition of collection of an assessment, tax, tribute or fine.

**LICENSE OR PERMIT** – is a right or permission granted in accordance with law by a competent authority to engage in some business or occupation or to engage into some transaction.

**LOCAL GOVERNMENT** – includes provinces, cities, municipalities, and barangays.