

Provinces' Relative Income Tax Standings

The accompanying table of income taxes for 1932 shows more than $\frac{3}{4}$ of income taxes in the islands to be assessed in Manila. The total assessment for the 49 provinces and for Manila comes to P4,255,491.08, and only 5 provinces besides Manila are assessed more than 1% of the tax. These 5 provinces, Occidental Negros, Pampanga, Iloilo, Cebu and Laguna all domicile sugar industries and sugar mills. In Occidental Negros where the sugar industry is the most important branch of farming and manufacturing by long odds, the tax on corporations, which will be the milling corporations chiefly, exceeds that on individuals by P60,000.

The minimum tax is 3% of the taxable income. Occidental Negros has a gross income of about P50,000,000 a year from sugar; that is, it has more than 600,000 metric tons of sugar a year. This works out in a very small amount of income tax. Yet Pampanga, next richest sugar province, is next below Negros in the income tax list; it is evident that for income tax sugar is the best farm industry the islands have. It is not so evident, but is it not true, that the volume of this tax is in at least a loose ratio with the capitalization of the various provinces? Factories keep books and report their incomes in a formal way that is readily checked up by revenue agents.

Davao, for example, is 7th in the list. This very sparsely settled and generally backward province has a well organized fiber industry around its gulfs, with fiber agencies and presses at central points such as the port of Davao. This formalization of what business Davao has must help place it in the income tax list above such provinces as Tarlac, for example, quite populous and generally cultivated. But Davao

is also above Rizal, a thriving province heavily populated, at the doors of Manila. A special reason here is that people declare their income taxes where it is most convenient to do so, and many residents of Rizal may declare in Manila; and while this also affects provinces as far away as Tarlac, it hardly accounts in itself for Tarlac paying less income tax than Davao or Zamboanga.

Seeing Mountain Province below Batangas, it is realized that incomes made in mining in Mountain Province are declared in Manila. Many apparent anomalies in the list fail of obvious explanation. Abra is taxed only P2.60, even Batanes pays a little more than this, P8.25. Some leading men in public life hail from Abra. The rice industry yields little income tax, not P9,000 each from Pangasinan, Bulakan, and

Nueva Ecija. Hard hit as Leyte hemp and copra industries have been, drastically affecting the transportation industry there, even this province shows almost as much income tax as Bulakan. Nearness to Manila helps explain Cavite's low income tax assessment, P3,438.96; but distance from Manila is not an unvarying factor in this study.

Cotabato, with remarkably few plantations, few roads and small development of any kind, and lying in the south of Mindanao very remote from Manila and enjoying the most limited advantages from public works and other general appropriations, brackets in the income tax list with Oriental Misamis. Provinces where less than P1,000 income tax each is assessed are widely dispersed: Bohol, Masbate, Sulu, Agusan, Mindoro, Camarines Norte, Romblon, Nueva Vizcaya, Zambales, Ilocos Norte, Bukidnon, Marinduque, Antique, Batanes, Abra, nearly 1/3 of all the provinces of the islands.

TOTAL TAXES ASSESSED ON INDIVIDUAL AND CORPORATION RETURNS FILED DURING 1932, BY PROVINCES

| Province | Individual | Corporation and Partnership | Total | Per cent of each province |
|--------------------|---------------|-----------------------------|---------------|---------------------------|
| Manila | P2,001,710.02 | P1,255,757.08 | P3,257,467.10 | 76.547 |
| Occidental Negros | 135,949.39 | 185,652.57 | 321,601.96 | 7.792 |
| Pampanga | 70,835.96 | 91,555.11 | 168,390.47 | 3.957 |
| Iloilo | 96,338.15 | 28,366.97 | 119,705.12 | 2.813 |
| Cebu | 37,366.20 | 25,104.47 | 62,470.67 | 1.468 |
| Laguna | 10,303.62 | 35,081.28 | 45,384.90 | 1.067 |
| Davao | 18,099.59 | 21,213.72 | 39,313.31 | .924 |
| Zamboanga | 17,992.49 | 11,246.54 | 29,239.03 | .687 |
| Rizal | 23,053.18 | 5,049.85 | 28,103.03 | .660 |
| Tarlac | 12,507.57 | 7,115.22 | 19,622.79 | .461 |
| Oriental Negros | 14,951.49 | 1,432.07 | 16,383.56 | .385 |
| Batangas | 2,528.59 | 12,893.99 | 15,422.58 | .362 |
| Mountain Province | 11,022.29 | 2,548.25 | 13,570.54 | .319 |
| Camarines Sur | 4,423.29 | 8,883.89 | 13,307.18 | .313 |
| Cagayan | 3,974.81 | 5,447.42 | 9,422.23 | .221 |
| Bulacan | 7,434.24 | 1,294.68 | 8,728.92 | .205 |
| Leyte | 5,801.50 | 2,422.83 | 8,224.33 | .194 |
| Pangasinan | 5,241.93 | 2,641.96 | 7,883.89 | .185 |
| Nueva Ecija | 6,526.97 | 545.64 | 7,072.61 | .166 |
| Albay | 4,452.82 | 1,593.47 | 6,046.29 | .145 |
| Bataan | 3,457.16 | 466.72 | 4,923.88 | .116 |
| Tayabas | 2,861.85 | 1,091.08 | 4,548.24 | .107 |
| Oriental Misamis | 3,457.16 | 1,620.08 | 4,841.93 | .105 |
| Cotabato | 1,600.59 | 2,435.41 | 4,036.00 | .095 |
| Cavite | 983.07 | 2,492.64 | 3,475.71 | .082 |
| Capiz | 2,224.67 | 1,214.29 | 3,438.96 | .081 |
| Isabela | 2,226.15 | 625.99 | 2,852.14 | .068 |
| Lanao | 1,874.49 | 809.61 | 2,684.10 | .063 |
| Samar | 1,588.15 | 893.55 | 2,481.70 | .058 |
| The Union | 1,800.26 | 163.27 | 1,963.53 | .046 |
| Sorsogon | 1,690.58 | 144.54 | 1,835.12 | .043 |
| Palawan | | 1,271.80 | 1,271.80 | .030 |
| Occidental Misamis | 24.81 | 1,203.43 | 1,228.24 | .029 |
| Surigao | 1,046.51 | 162.32 | 1,208.83 | .028 |
| Ilocos Sur | 625.70 | 421.36 | 1,047.06 | .025 |
| Bohol | 462.56 | 536.40 | 998.96 | .024 |
| Masbate | 320.84 | 579.06 | 899.90 | .021 |
| Sulu | 296.48 | 542.72 | 839.20 | .020 |
| Agusan | 230.49 | 586.89 | 817.38 | .019 |
| Mindoro | 571.16 | 108.40 | 679.56 | .016 |
| Camarines Norte | 219.51 | 331.10 | 550.61 | .013 |
| Romblon | 153.64 | 340.72 | 494.36 | .012 |
| Nueva Vizcaya | 320.32 | .87 | 321.19 | .008 |
| Zambales | 201.77 | 96.92 | 298.69 | .007 |
| Ilocos Norte | 177.18 | 88.37 | 265.55 | .005 |
| Bukidnon | 207.77 | | 207.77 | .004 |
| Marinduque | | 63.68 | 63.68 | .001 |
| Antique | 51.17 | | 51.17 | .001 |
| Batanes | | 8.25 | 8.25 | .000 |
| Abra | | 2.60 | 2.60 | .000 |
| TOTAL | P2,526,342.00 | P1,729,149.08 | P4,255,491.08 | 100.000 |

There are fewer than 7,000 income tax payers in the Philippines