**Situs of Intangible Personal Property**

Intangible personal property such as credits, bills receivable, bank deposits, bonds, promissory notes, mortgage loans, judgements and corporate stocks, does not admit of actual location, and as to such property, taxation is at the domicile of the owner. This is in accordance with the principle of mobilia sequuntur personam- that the situs of personal property is the domicile of the owner. Income from intangible personal property, however, is generally taxable where the obligation arises. Hence, income of a non-resident foreigner from shares of stock in a domestic corporation, whether as dividends or as gains from sale, are taxable in the Philippines. The reason is that said shares receive the protection and benefit of our laws. In the same manner, interest income from a loan is taxable in the state where the loan obligation arises

In addition, Sec 42E of Tax Code, states that for gain on sale of personal property purchase in one country and sold in another, taxation is at the place of sale.

**VAT and OPT on Carriers**

|  |  |  |  |
| --- | --- | --- | --- |
| **Mode** | **Transport of** | **Carrier Type** | |
| **Domestic** | **International\*** |
| Land | Passenger | Actual vs. Minimum ↑ x 3% OPT |  |
| Cargo | 12% VAT |
| Air (“Air Carrier”) and  Water (“Shipping Carrier”) | Passenger | * To and from any point in the Philippines - 12% VAT * From Philippines to another country - 0% VAT (Sec.108(B)(6), NIRC) | Exempt (Sec. 109, NIRC as amended by RA 10378) |
| Cargo | 3% OPT (Sec. 118, NIRC as amended by RA 10378) |