



SENATE
P.S.R NO. 279

INTRODUCED BY: SENS. ANA THERESIA HONTIVEROS-BARAQUEL
AQUILINO "KOKO" PIMENTEL III, FRANKLIN M. DRILON
AND RALPH G. RECTO

RESOLUTION

1 DIRECTING THE COMMITTEE ON WAYS AND MEANS AND COMMITTEE
2 ON HEALTH AND DEMOGRAPHY TO JOINTLY CONDUCT A REVIEW
3 AND ASSESSMENT OF THE IMPLEMENTATION OF REPUBLIC ACT 10351,
4 OTHERWISE KNOWN AS THE "SIN TAX REFORM LAW", IN ORDER TO
5 DETERMINE WHETHER SAID LAW HAS ACHIEVED ITS TWIN PURPOSE
6 OF RAISING REVENUES AND LOWERING THE CONSUMPTION OF
7 TOBACCO AND ALCOHOL PRODUCTS, AND IN ORDER TO ASCERTAIN
8 THE NEED, IF NECESSARY, TO AMEND AND FURTHER STRENGTHEN
9 THE LAW
10
11
12

13 WHEREAS, Republic Act 10351, otherwise known as the Sin Tax Reform Law was
14 enacted in 2012 primarily as a health measure with revenue implications that sought to
15 address issues regarding alcohol and tobacco consumption, while at the same time raise
16 much needed revenues to finance government's universal health care program;
17

18 WHEREAS, the Sin Tax Reform Law provided a shift from a multi-tiered tax
19 structure to a single tax structure for better tax administration: (1) For cigarettes, a two-rate
20 structure of P14 and P30 per pack for the 1st two years, and a uniform rate of P30 per pack
21 of cigarettes on the third year. (2) For fermented liquor, immediate implementation of
22 unified rate of P25/liter. (3) For distilled spirits, a two-year transition period to a unified rate
23 of P150 per proof liter on the third year;
24

25 WHEREAS, the law also provided an automatic annual adjustment of rates indexed
26 to inflation starting 2018 and to increase by 4% every year thereafter;
27

28 WHEREAS, during the first year of implementation alone, on the health side, it was
29 reported that there was a decrease in smoking prevalence from 28.7% to 27.06% and
30 encouraged up to 2.09 M Filipinos to quit smoking, while on fiscal side, additional revenue
31 amounting to P 33.96 B was realized;
32

33 WHEREAS, the law has been lauded for its contribution to health financing as well
34 as for bringing down the smoking prevalence among Filipinos;
35

1 WHEREAS, Section 11 of RA 10351 mandates the review of the impact of the tax
2 rates provided under it, beginning the third quarter of 2016;

3
4 WHEREAS, HB 4144, which seeks to amend RA 10351, was recently approved by
5 the House of Representatives and has been transmitted to the Senate;

6
7 WHEREAS, there is a need to conduct an assessment, specifically on the health
8 impact of the present law and on the effectiveness of a unitary tax system before any
9 amendment is to be introduced;

10
11 WHEREAS, the review is timely and necessary considering that it has been five (5)
12 years since the passage of R.A. 10351;

13
14 NOW THEREFORE, BE IT RESOLVED, as it is hereby resolved to direct the
15 Senate Committee on Ways and Means and the Committee on Health and Demography to
16 jointly conduct a review and assessment of the implementation of RA 10351 in order to
17 determine whether said law has achieved its twin purpose of raising revenues and lowering
18 the consumption of tobacco and alcohol products, and in order to ascertain the need, if
19 necessary, to amend and further strengthen the law.

Adopted,


ANA THERESIA "RISA" HONTIVEROS


AQUILINO "KOKO" PIMENTEL III


FRANKLIN M. DRILON


RALPH G. RECTO