



HOUSE OF REPRESENTATIVES

H. No. 4144

BY REPRESENTATIVES DE VERA, CUA, CASTRO (F.H.), ABU, ABUEG, GARIN (S.), NOGRALES (J.), CRISOLOGO, SUANSING (E.), TUGNA, ONG (E.), PIMENTEL, ARCILLAS, SAVELLANO, CALDERON, BRAVO (A.), NOEL, SALON, VELASCO-CATERA, YU, BARZAGA, UMALI, VILLANUEVA, CAMPOS, COLLANTES, AUMENTADO, FERRIOL-PASCUAL, NAVA, SALCEDA, SY-ALVARADO, BOLILIA, JAVIER, SINGSON (E.), BATAOIL, PRIMICIAS-AGABAS, ERIGUEL, ORTEGA (P.), BERNOS, NOLASCO, MANGAOANG, GO (M.), DALOG, BAGUILAT, VARGAS-ALFONSO, COSALAN, AGGABAO, BULUT-BEGTANG, CUARESMA, SAVELLANO, TY, GO (A.C.) AND TING

AN ACT AMENDING SECTION 145(C) OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

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

1 SECTION 1. Section 145(C) of the National Internal Revenue Code of
2 1997, as amended, is hereby further amended to read as follows:

3 "SEC. 145. *Cigars and Cigarettes.* –

4 "(*C Cigarettes Packed by Machine.* – There shall be
5 levied, assessed and collected on cigarettes packed by machine a
6 tax at the rates prescribed below:

7 ["Effective on January 1, 2013

8 "(1) If the net retail price (excluding the excise tax and
9 the value-added tax) is Eleven pesos and fifty centavos (P11.50)

1 and below per pack, the tax shall be Twelve pesos (P12.00) per
2 pack; and

3 “(2) If the net retail price (excluding the excise tax and
4 the value-added tax) is more than Eleven pesos and fifty
5 centavos (P11.50) per pack, the tax shall be Twenty-five pesos
6 (P25.00) per pack.]

7 [“Effective on January 1, 2014

8 “(1) If the net retail price (excluding the excise tax and
9 the value-added tax) is Eleven pesos and fifty centavos (P11.50)
10 and below per pack, the tax shall be Seventeen pesos (P17.00)
11 per pack; and

12 “(2) If the net retail price (excluding the excise tax and
13 the value-added tax) is more than Eleven pesos and fifty
14 centavos (P11.50) per pack, the tax shall be Twenty-seven pesos
15 (P27.00) per pack.]

16 [“Effective on January 1, 2015

17 “(1) If the net retail price (excluding the excise tax and
18 the value-added tax) is Eleven pesos and fifty centavos (P11.50)
19 and below per pack, the tax shall be Twenty-one pesos (P21.00)
20 per pack; and

21 “(2) If the net retail price (excluding the excise tax and
22 the value-added tax) is more than Eleven pesos and fifty
23 centavos (P11.50) per pack, the tax shall be Twenty-eight pesos
24 (P28.00) per pack.]

25 [“Effective on January 1, 2016

26 “(1) If the net retail price (excluding the excise tax and
27 the value-added tax) is Eleven pesos and fifty centavos (P11.50)

1 and below per pack, the tax shall be Twenty-five pesos (P25.00)
2 per pack; and

3 “(2) If the net retail price (excluding the excise tax and
4 the value-added tax) is more than Eleven pesos and fifty
5 centavos (P11.50) per pack, the tax shall be Twenty-nine pesos
6 (P29.00) per pack.]

7 [“Effective on January 1, 2017, the tax on all cigarettes
8 packed by machine shall be Thirty pesos (P30.00) per pack.]

9 “EFFECTIVE ON JANUARY 1, 2017

10 “(1) IF THE NET RETAIL PRICE (EXCLUDING THE EXCISE
11 TAX AND THE VALUE-ADDED TAX) IS ELEVEN PESOS AND FIFTY
12 CENTAVOS (P11.50) AND BELOW PER PACK, THE TAX SHALL BE
13 THIRTY-TWO PESOS (P32.00) PER PACK; AND

14 “(2) IF THE NET RETAIL PRICE (EXCLUDING THE EXCISE
15 TAX AND THE VALUE-ADDED TAX) IS MORE THAN ELEVEN
16 PESOS AND FIFTY CENTAVOS (P11.50) PER PACK, THE TAX
17 SHALL BE THIRTY-SIX PESOS (P36.00) PER PACK.”

18 “The rates of tax imposed under this subsection shall be
19 increased by [four percent (4%)] FIVE PERCENT (5%) every year
20 thereafter effective on January 1, 2018, through revenue
21 regulations issued by the Secretary of Finance.

22 “x x x.”

23 SEC. 2. *Implementing Rules and Regulations.* – The
24 Secretary of Finance, upon the recommendation of the
25 Commissioner of the Bureau of Internal Revenue, shall, within
26 sixty (60) days from the effectivity of this Act, promulgate rules
27 and regulations to faithfully implement the intent and provisions
28 of this Act: *Provided*, That the failure of the Secretary to

1 promulgate the rules and regulations shall not prevent the
2 implementation of this Act upon its effectivity.

3 SEC. 3. *Separability Clause.* – If any provision of this Act is
4 subsequently declared invalid or unconstitutional, the other provisions hereof
5 which are not affected thereby shall remain in full force and effect.

6 SEC. 4. *Repealing Clause.* – All laws, rules and regulations, decrees
7 and executive orders inconsistent with the provisions of this Act are hereby
8 repealed or modified accordingly.

9 SEC. 5. *Effectivity.* – This Act shall take effect fifteen (15) days after
10 its complete publication either in the *Official Gazette* or in at least two (2)
11 newspapers of general circulation.

Approved,

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