



HOUSE OF REPRESENTATIVES

H. No. 1026

BY REPRESENTATIVES SALCEDA, SUANSING (H.), SUANSING (E.), VILLAFUERTE, CUA, ROMUALDEZ (F.M.), ROMUALDEZ (Y.M.), GARIN (S.), ROMERO, NIETO, MACEDA, MALAPITAN, MARTINEZ, VALERIANO, RODRIGUEZ, HOFER, ALVAREZ (G.), ENVERGA, DUAVIT, BUSTOS, NOGRALES (J.J.), LACSON, FUENTEBELLA, CAOAGDAN, NOLASCO, DEFENSOR (L.), SACDALAN, EBCAS, VIOLAGO, PIMENTEL, SINGSON-MEEHAN, ARAGONES, GO (M.), GARCIA (J.E.), TAN (A.S.), AGLIPAY, SALIMBANGON, KHO (W.), JIMENEZ, ABU, VILLA, REYES, BOLILIA, COLLANTES, SUNTAY, DELOSO-MONTALLA, BASCUG, ONG (J.), CHIPECO, ARENAS, TAMBUNTING, SINGSON, CRISOLOGO, GATCHALIAN, NUÑEZ-MALANYAON, DY (F.M.C.), ESTRELLA, ONG (R.), GONZALES (A.D.), ABANTE, UMALI (M.V.), FLORES, SIAO, CABREDO, MATUGAS, DALOG, MACAPAGAL ARROYO, ALBANO (A.) AND CASTRO (F.H.), PER COMMITTEE REPORT NO. 1

AN ACT AMENDING SECTIONS 141, 142, 143, 144, 147, 150, 152, 263, 265, AND 288-A, AND ADDING A NEW SECTION 290-A TO REPUBLIC ACT NO. 8424, AS AMENDED, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF 1997

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

1 SECTION 1. Title VI, Chapter III, Excise Tax on Alcohol
2 Products, of the National Internal Revenue Code (NIRC) of 1997, as
3 amended, is hereby further amended to read as follows:

4 "CHAPTER III

5 "EXCISE TAX ON ALCOHOL PRODUCTS

6 "SEC. 141. *Distilled Spirits.* - On distilled
7 spirits, subject to the provisions of Section 133 of
8 this Code, an excise tax shall be levied, assessed and
9 collected based on the following schedules:

10 ["(a) Effective on January 1, 2013

11 "(1) An *ad valorem* tax equivalent to fifteen
12 percent (15%) of the net retail price (excluding the
13 excise tax and the value-added tax) per proof; and

14 "(2) In addition to the *ad valorem* tax herein
15 imposed, a specific tax of Twenty pesos (P20.00) per
16 proof liter.]

17 ["(b) Effective on January 1, 2015

18 "(1) An *ad valorem* tax equivalent to twenty
19 percent (20%) of the net retail price (excluding the
20 excise tax and the value-added tax) per proof; and

21 "(2) In addition to the *ad valorem* tax herein
22 imposed, a specific tax of Twenty pesos (P20.00) per
23 proof liter.]

24 ["(c) In addition to the *ad valorem* tax herein
25 imposed, the specific tax rate of Twenty pesos (P20.00)
26 imposed under this Section shall be increased by

1 four percent (4%) every year thereafter effective on
2 January 1, 2016, through revenue regulations issued
3 by the Secretary of Finance.]

4 “(A) EFFECTIVE JANUARY 1, 2020

5 “(1) AN *AD VALOREM* TAX EQUIVALENT TO
6 TWENTY-TWO PERCENT (22%) OF THE NET RETAIL PRICE
7 (EXCLUDING THE EXCISE TAX AND THE VALUE-ADDED
8 TAX) PER PROOF; AND

9 “(2) IN ADDITION TO THE *AD VALOREM* TAX
10 HEREIN IMPOSED, A SPECIFIC TAX OF THIRTY-FIVE
11 PESOS (P35.00) PER PROOF LITER.

12 “(B) EFFECTIVE JANUARY 1, 2021

13 “(1) AN *AD VALOREM* TAX EQUIVALENT TO
14 TWENTY-TWO PERCENT (22%) OF THE NET RETAIL PRICE
15 (EXCLUDING THE EXCISE TAX AND THE VALUE-ADDED
16 TAX) PER PROOF; AND

17 “(2) IN ADDITION TO THE *AD VALOREM* TAX
18 HEREIN IMPOSED, A SPECIFIC TAX OF FORTY PESOS
19 (P40.00) PER PROOF LITER.

20 “(C) EFFECTIVE JANUARY 1, 2022

21 “(1) AN *AD VALOREM* TAX EQUIVALENT TO
22 TWENTY-TWO PERCENT (22%) OF THE NET RETAIL PRICE
23 (EXCLUDING THE EXCISE TAX AND THE VALUE-ADDED
24 TAX) PER PROOF; AND

25 “(2) IN ADDITION TO THE *AD VALOREM* TAX
26 HEREIN IMPOSED, A SPECIFIC TAX OF FORTY-FIVE
27 PESOS (P45.00) PER PROOF LITER.

1 “(D) IN ADDITION TO THE *AD VALOREM* TAX
2 HEREIN IMPOSED, THE SPECIFIC TAX IMPOSED UNDER
3 THIS SECTION SHALL BE INCREASED BY SEVEN
4 PERCENT (7%) EVERY YEAR THEREAFTER, EFFECTIVE
5 JANUARY 1, 2023, THROUGH REVENUE REGULATIONS
6 TO BE ISSUED BY THE SECRETARY OF FINANCE.

7 “Medicinal preparations, flavoring extracts, and
8 all other preparations, except toilet preparations,
9 of which, excluding water, distilled spirits form the
10 chief ingredient, shall be subject to the same tax as
11 such chief ingredient.

12 “This tax shall be proportionally increased for
13 any strength of the spirits taxed over proof spirits,
14 and the tax shall attach to this substance as soon as
15 it is in existence as such, whether it be subsequently
16 separated as pure or impure spirits, or transformed into
17 any other substance either in the process of original
18 production or by any subsequent process.

19 “ ‘Spirits or distilled spirits’ is the substance
20 known as ethyl alcohol, ethanol or spirits of wine,
21 including all dilutions, purifications and mixtures
22 thereof, from whatever source, by whatever process
23 produced, and shall include whisky, brandy, rum, gin
24 and vodka, and other similar products or mixtures.

25 “ ‘Proof spirits’ is liquor containing one-half (1/2)
26 of its volume of alcohol of a specific gravity of seven
27 thousand nine hundred and thirty-nine ten thousandths

1 (0.7939) at fifteen degrees centigrade (15°C). A 'proof
2 liter' means a liter of proof spirits.

3 " 'Net retail price' shall mean the price at which
4 the distilled spirits is sold on retail in at least five (5)
5 major supermarkets in Metro Manila, excluding the
6 amount intended to cover the applicable excise tax
7 and the value-added tax. For distilled spirits which
8 are marketed outside Metro Manila, the 'net retail
9 price' shall mean the price at which the distilled
10 spirits is sold in at least five (5) major supermarkets
11 in the region excluding the amount intended to cover
12 the applicable excise tax and the value-added tax.
13 THIS SHALL INITIALLY BE PROVIDED BY THE
14 MANUFACTURER THROUGH A SWORN STATEMENT AND
15 SHALL BE VALIDATED BY THE BUREAU OF INTERNAL
16 REVENUE (BIR) THROUGH A PRICE SURVEY.

17 ["Major supermarkets, as contemplated under
18 this Act, shall be those with the highest annual gross
19 sales in Metro Manila or the region, as the case may be,
20 as determined by the National Statistics Office, and
21 shall exclude retail outlets or kiosks, convenience or
22 sari-sari stores, and others of a similar nature:
23 *Provided*, That no two (2) supermarkets in the list to be
24 surveyed are affiliated and/or branches of each other:
25 *Provided, finally*, That in case a particular distilled
26 spirit is not sold in major supermarkets, the price
27 survey can be conducted in retail outlets where said

1 distilled spirit is sold in Metro Manila or the region, as
2 the case may be, upon the determination of the
3 Commissioner of Internal Revenue.]

4 "MAJOR SUPERMARKETS, AS CONTEMPLATED
5 UNDER THIS ACT, SHALL BE THOSE WITH THE HIGHEST
6 ANNUAL GROSS SALES IN METRO MANILA OR THE
7 REGION, AS THE CASE MAY BE, AS DETERMINED BY THE
8 BUREAU OF INTERNAL REVENUE (BIR), AND SHALL
9 EXCLUDE RETAIL OUTLETS OR KIOSKS, CONVENIENCE
10 OR SARI-SARI STORES, AND OTHERS OF A SIMILAR
11 NATURE: *PROVIDED*, THAT NO TWO (2) SUPERMARKETS
12 IN THE LIST TO BE SURVEYED ARE AFFILIATED AND/OR
13 BRANCHES OF EACH OTHER: *PROVIDED, FINALLY*, THAT
14 IN CASE A PARTICULAR DISTILLED SPIRIT IS NOT SOLD
15 IN MAJOR SUPERMARKETS, THE PRICE SURVEY CAN BE
16 CONDUCTED IN RETAIL OUTLETS WHERE SAID DISTILLED
17 SPIRIT IS SOLD IN METRO MANILA OR THE REGION,
18 AS THE CASE MAY BE, UPON THE DETERMINATION OF
19 THE COMMISSIONER OF INTERNAL REVENUE.

20 "The net retail price shall be determined by the
21 Bureau of Internal Revenue (BIR) through a BIENNIAL
22 price survey under oath.

23 "The methodology and all pertinent documents
24 used in the conduct of the latest price survey shall be
25 submitted to the Congressional Oversight Committee on
26 the Comprehensive Tax Reform Program (COCCTRP)
27 created under Republic Act No. 8240.

1 “Understatement of the suggested net retail price
2 by as much as fifteen percent (15%) of the actual net
3 retail price shall render the manufacturer or importer
4 liable for additional excise tax equivalent to the tax due
5 and difference between the understated suggested net
6 retail price and the actual net retail price.

7 “Distilled spirits introduced in the domestic
8 market after the effectivity of this Act shall be initially
9 taxed according to their suggested net retail prices.

10 “ ‘Suggested net retail price’ shall mean the net
11 retail price (EXCLUDING THE EXCISE TAX AND THE
12 VALUE-ADDED TAX) at which locally manufactured or
13 imported distilled spirits are intended by the
14 manufacturer or importer to be sold on retail in major
15 supermarkets or retail outlets in Metro Manila for those
16 marketed nationwide, and in other regions, for those
17 with regional markets. At the end of three (3) months
18 from the product launch, the Bureau of Internal
19 Revenue shall validate the suggested net retail price of
20 the new brand against the net retail price as defined
21 herein and initially determine the correct tax on a newly
22 introduced distilled spirits. After the end of nine (9)
23 months from such validation, the Bureau of Internal
24 Revenue shall revalidate the initially validated net
25 retail price against the net retail price as of the time of
26 revalidation in order to finally determine the correct tax
27 on a newly introduced distilled spirits.

1 ["All distilled spirits existing in the market at
2 the time of the effectivity of this Act shall be taxed
3 according to the tax rates provided above based on the
4 latest price survey of the distilled spirits conducted by
5 the Bureau of Internal Revenue.]

6 "The methodology and all pertinent documents
7 used in the conduct of the latest price survey shall be
8 submitted to the Congressional Oversight Committee
9 on the Comprehensive Tax Reform Program created
10 under Republic Act No. 8240.

11 "Manufacturers and importers of distilled spirits
12 shall, within thirty (30) days from the effectivity of
13 this Act, and within the first five (5) days of every
14 third month thereafter, submit to the Commissioner
15 a sworn statement of the volume of sales AND
16 REMOVALS for each particular brand of distilled spirits
17 sold at his establishment for the three-month period
18 immediately preceding.

19 "Any manufacturer or importer who, in violation
20 of this Section, misdeclares or misrepresents in his
21 or its sworn statement herein required any pertinent
22 data or information shall, upon final findings by the
23 Commissioner that the violation was committed, be
24 penalized by a summary cancellation or withdrawal of
25 his or its permit to engage in business as manufacturer
26 or importer of distilled spirits.

1 “Any corporation, association or partnership liable
2 for any of the acts or omissions in violation of this
3 Section shall be fined treble the amount of deficiency
4 taxes, surcharges and interest which may be assessed
5 pursuant to this Section.

6 “Any person liable for any of the acts or omissions
7 prohibited under this Section shall be criminally liable
8 and penalized under Section 254 of this Code. Any
9 person who willfully aids or abets in the commission
10 of any such act or omission shall be criminally liable
11 in the same manner as the principal.

12 “If the offender is not a citizen of the Philippines,
13 he shall be deported immediately after serving the
14 sentence, without further proceedings for deportation.”

15 “SEC. 142. *Wines*. – On wines, there shall be
16 collected [per liter of volume capacity] effective on
17 [January 1, 2013] JANUARY 1, 2020, the following
18 excise taxes:

19 “(a) Sparkling wines[/champagnes] regardless
20 of proof[, if the net retail price per bottle of seven
21 hundred fifty milliliter (750 ml.) volume capacity
22 (excluding the excise tax and the value-added tax) is]:

23 [“(1) Five hundred pesos (P500.00) or less – Two
24 hundred fifty pesos (P250.00); and

25 “(2) More than Five hundred pesos (P500.00) –
26 Seven hundred pesos (P700.00).]

1 “(1) AN *AD VALOREM* TAX EQUIVALENT TO
2 FIFTEEN PERCENT (15%) OF THE NET RETAIL PRICE
3 (EXCLUDING THE EXCISE TAX AND THE VALUE-ADDED
4 TAX) PER LITER; AND

5 “(2) IN ADDITION TO THE *AD VALOREM* TAX
6 HEREIN IMPOSED, A SPECIFIC TAX OF SIX HUNDRED
7 NINETY-SIX PESOS (P696.00) PER LITER.

8 “THE SPECIFIC TAX IMPOSED HEREIN SHALL BE
9 INCREASED BY SEVEN PERCENT (7%) EVERY YEAR
10 THEREAFTER, EFFECTIVE ON JANUARY 1, 2021,
11 THROUGH REVENUE REGULATIONS TO BE ISSUED BY
12 THE SECRETARY OF FINANCE.

13 [(b) Still wines and carbonated wines containing
14 fourteen percent (14%) of alcohol by volume or less,
15 Thirty pesos (P30.00); and

16 “(c) Still wines and carbonated wines containing
17 more than fourteen percent (14%) but not more than
18 twenty-five percent (25%) of alcohol by volume, Sixty
19 pesos (P60.00).]

20 “(B) STILL WINES AND CARBONATED WINES
21 REGARDLESS OF PROOF:

22 “(1) AN *AD VALOREM* TAX EQUIVALENT TO
23 FIFTEEN PERCENT (15%) OF THE NET RETAIL PRICE
24 (EXCLUDING THE EXCISE TAX AND THE VALUE-ADDED
25 TAX) PER LITER; AND

1 “(2) IN ADDITION TO THE *AD VALOREM* TAX
2 HEREIN IMPOSED, A SPECIFIC TAX OF SIXTY PESOS
3 (P60.00) PER LITER.”

4 “The rates of tax imposed under this Section shall
5 be increased by [four percent (4%)] SEVEN PERCENT
6 (7%) every year thereafter effective on [January 1,
7 2014] JANUARY 1, 2021, through revenue regulations
8 TO BE issued by the Secretary of Finance.

9 “*PROVIDED*, THAT COOKING WINES CONTAINING
10 A SALT CONTENT OF NOT LESS THAN 1.5 G/100 ML
11 SHALL NOT BE SUBJECT TO THE TAX IMPOSED HEREIN.

12 [“Fortified wines containing more than
13 twenty-five percent (25%) of alcohol by volume shall
14 be taxed as distilled spirits. ‘Fortified wines’ shall
15 mean natural wines to which distilled spirits are added
16 to increase their alcohol strength.]

17 “ ‘Net retail price’ shall mean the price at which
18 sparkling wine[/champagne] is sold on retail in at
19 least five (5) major supermarkets in Metro Manila,
20 excluding the amount intended to cover the applicable
21 excise tax and the value-added tax. For sparkling
22 wines[/champagnes] which are marketed outside Metro
23 Manila, the ‘net retail price’ shall mean the price at
24 which the wine is sold in at least five (5) major
25 supermarkets in the region excluding the amount
26 intended to cover the applicable excise tax and the

1 value-added tax. THIS SHALL INITIALLY BE PROVIDED
2 BY THE MANUFACTURER THROUGH A SWORN STATEMENT
3 AND SHALL BE VALIDATED BY THE BUREAU OF
4 INTERNAL REVENUE (BIR) THROUGH A PRICE SURVEY.

5 [“Major supermarkets, as contemplated under
6 this Act, shall be those with the highest annual gross
7 sales in Metro Manila or the region, as the case may
8 be, as determined by the National Statistics Office,
9 and shall exclude retail outlets or kiosks, convenience
10 or sari-sari stores, and others of a similar nature:
11 *Provided*, That no two (2) supermarkets in the list to be
12 surveyed are affiliated and/or branches of each other:
13 *Provided, finally*, That in case a particular sparkling
14 wine/champagne is not sold in major supermarkets,
15 the price survey can be conducted in retail outlets
16 where said sparkling wine/champagne is sold in
17 Metro Manila or the region, as the case may be,
18 upon the determination of the Commissioner of Internal
19 Revenue.]

20 “MAJOR SUPERMARKETS, AS CONTEMPLATED
21 UNDER THIS ACT, SHALL BE THOSE WITH THE
22 HIGHEST ANNUAL GROSS SALES IN METRO MANILA
23 OR THE REGION, AS THE CASE MAY BE, AS DETERMINED
24 BY THE BUREAU OF INTERNAL REVENUE (BIR), AND
25 SHALL EXCLUDE RETAIL OUTLETS OR KIOSKS,
26 CONVENIENCE OR SARI-SARI STORES, AND OTHERS
27 OF A SIMILAR NATURE: *PROVIDED*, THAT NO TWO (2)

1 SUPERMARKETS IN THE LIST TO BE SURVEYED
2 ARE AFFILIATED AND/OR BRANCHES OF EACH
3 OTHER: *PROVIDED, FINALLY*, THAT IN CASE A
4 PARTICULAR SPARKLING WINE IS NOT SOLD IN
5 MAJOR SUPERMARKETS, THE PRICE SURVEY CAN
6 BE CONDUCTED IN RETAIL OUTLETS WHERE SAID
7 SPARKLING WINE IS SOLD IN METRO MANILA OR
8 THE REGION, AS THE CASE MAY BE, UPON THE
9 DETERMINATION OF THE COMMISSIONER OF INTERNAL
10 REVENUE.

11 "The net retail price shall be determined by the
12 Bureau of Internal Revenue through a BIENNIAL price
13 survey under oath.

14 "The methodology and all pertinent documents
15 used in the conduct of the latest price survey shall be
16 submitted to the Congressional Oversight Committee on
17 the Comprehensive Tax Reform Program created under
18 Republic Act No. 8240.

19 "Understatement of the suggested net retail price
20 by as much as fifteen percent (15%) of the actual net
21 retail price shall render the manufacturer or importer
22 liable for additional excise tax equivalent to the tax due
23 and difference between the understated suggested net
24 retail price and the actual net retail price.

25 "Sparkling wines[/champagnes] introduced in the
26 domestic market after the effectivity of this Act shall be
27 initially tax classified according to their suggested net
28 retail prices.

1 “ ‘Suggested net retail price’ shall mean the net
2 retail price (EXCLUDING THE EXCISE TAX AND THE
3 VALUE-ADDED TAX) at which locally manufactured or
4 imported sparkling wines[/champagnes] are intended
5 by the manufacturer or importer to be sold on retail in
6 major supermarkets or retail outlets in Metro Manila
7 for those marketed nationwide, and in other regions,
8 for those with regional markets. At the end of three (3)
9 months from the product launch, the Bureau of Internal
10 Revenue shall validate the suggested net retail price
11 of the sparkling wine[/champagne] against the net
12 retail price as defined herein and initially determine the
13 correct tax bracket to which a newly introduced
14 sparkling wine[/champagne] shall be classified. After
15 the end of nine (9) months from such validation,
16 the Bureau of Internal Revenue shall revalidate the
17 initially validated net retail price against the net
18 retail price as of the time of revalidation in order
19 to finally determine the correct tax bracket to which
20 a newly introduced sparkling wine[/champagne] shall
21 be classified.

22 “The proper tax classification of sparkling
23 wines[/champagnes], whether registered before or after
24 the effectivity of this Act, shall be determined every
25 two (2) years from the date of effectivity of this Act.

1 ["All sparkling wines/champagnes existing in the
2 market at the time of the effectivity of this Act shall be
3 classified according to the net retail prices and the tax
4 rates provided above based on the latest price survey of
5 the sparkling wines/champagnes conducted by the
6 Bureau of Internal Revenue.]

7 "The methodology and all pertinent documents
8 used in the conduct of the latest price survey shall be
9 submitted to the Congressional Oversight Committee on
10 the Comprehensive Tax Reform Program created under
11 Republic Act No. 8240.

12 "Manufacturers and importers of wines shall,
13 within thirty (30) days from the effectivity of this
14 Act, and within the first five (5) days of every
15 month thereafter, submit to the Commissioner a
16 sworn statement of the volume of sales AND REMOVALS
17 for each particular brand of wine[s] sold at [his] THEIR
18 establishments for the three-month period immediately
19 preceding.

20 "Any manufacturer or importer who, in violation
21 of this Section, misdeclares or misrepresents in his
22 or its sworn statement herein required any pertinent
23 data or information shall, upon final findings by the
24 Commissioner that the violation was committed be
25 penalized by a summary cancellation or withdrawal of
26 his or its permit to engage in business as manufacturer
27 or importer of wines.

1 “Any corporation, association or partnership liable
2 for any of the acts or omissions in violation of this
3 Section shall be fined treble the amount of deficiency
4 taxes, surcharges and interest which may be assessed
5 pursuant to this Section.

6 “Any person liable for any of the acts or omissions
7 prohibited under this Section shall be criminally liable
8 and penalized under Section 254 of this Code. Any
9 person who willfully aids or abets in the commission of
10 any such act or omission shall be criminally liable in the
11 same manner as the principal.

12 “If the offender is not a citizen of the Philippines,
13 he shall be deported immediately after serving the
14 sentence, without further proceedings for deportation.”

15 “SEC. 143. *ALCOPOPS AND Fermented Liquors.* –
16 There shall be levied, assessed and collected an excise
17 tax on *ALCOPOPS*, beer, lager beer, ale, porter and other
18 fermented liquors except *tuba*, *basi*, *tapuy* and similar
19 fermented liquors in accordance with the following
20 schedule:

21 [“Effective on January 1, 2013

22 “(a) If the net retail price (excluding the excise
23 tax and the value-added tax) per liter of volume capacity
24 is Fifty pesos and sixty centavos (P50.60) or less, the tax
25 shall be Fifteen pesos (P15.00) per liter; and

26 “(b) If the net retail price (excluding the excise
27 tax and the value-added tax) per liter of volume capacity

1 is more than Fifty pesos and sixty centavos (P50.60),
2 the tax shall be Twenty pesos (P20.00) per liter.]

3 [“Effective on January 1, 2014

4 “(a) If the net retail price (excluding the excise
5 tax and the value-added tax) per liter of volume capacity
6 is Fifty pesos and sixty centavos (P50.60) or less, the tax
7 shall be Seventeen pesos (P17.00) per liter; and

8 “(b) If the net retail price (excluding the excise
9 tax and the value-added tax) per liter of volume capacity
10 is more than Fifty pesos and sixty centavos (P50.60),
11 the tax shall be Twenty-one pesos (P21.00) per liter.]

12 [“Effective on January 1, 2015

13 “(a) If the net retail price (excluding the excise
14 tax and the value-added tax) per liter of volume capacity
15 is Fifty pesos and sixty centavos (P50.60) or less, the tax
16 shall be Nineteen pesos (P19.00) per liter; and

17 “(b) If the net retail price (excluding the excise
18 tax and the value-added tax) per liter of volume capacity
19 is more than Fifty pesos and sixty centavos (P50.60),
20 the tax shall be Twenty-two pesos (P22.00) per liter.]

21 [“Effective on January 1, 2016

22 “(a) If the net retail price (excluding the excise
23 tax and the value-added tax) per liter of volume capacity
24 is Fifty pesos and sixty centavos (P50.60) or less, the tax
25 shall be Twenty-one pesos (P21.00) per liter; and

1 “(b) If the net retail price (excluding the excise
2 tax and the value-added tax) per liter of volume capacity
3 is more than Fifty pesos and sixty centavos (P50.60), the
4 tax shall be Twenty-three pesos (P23.00) per liter.]

5 [“Effective on January 1, 2017, the tax on all
6 fermented liquors shall be Twenty-three pesos and fifty
7 centavos (P23.50) per liter.]

8 “EFFECTIVE ON JANUARY 1, 2020, THE TAX ON
9 ALL ALCOPOPS AND FERMENTED LIQUORS SHALL BE
10 THIRTY-TWO PESOS (P32.00) PER LITER.

11 “EFFECTIVE ON JANUARY 1, 2021, THE TAX ON
12 ALL ALCOPOPS AND FERMENTED LIQUORS SHALL BE
13 THIRTY-FOUR PESOS (P34.00) PER LITER.

14 “EFFECTIVE ON JANUARY 1, 2022, THE TAX ON
15 ALL ALCOPOPS AND FERMENTED LIQUORS SHALL BE
16 THIRTY-SIX PESOS (P36.00) PER LITER.

17 “THE SPECIFIC TAX RATES IMPOSED HEREIN
18 SHALL BE APPLIED TO ALL ALCOPOPS AND FERMENTED
19 LIQUORS REGARDLESS IF MANUFACTURED IN FACTORIES
20 OR SOLD AND BREWED AT MICRO-BREWERIES OR SMALL
21 ESTABLISHMENTS SUCH AS PUBS AND RESTAURANTS.

22 “The rates of tax imposed under this Section shall
23 be increased by [four percent (4%)] SEVEN PERCENT
24 (7%) every year thereafter effective on [January 1,
25 2018,] JANUARY 1, 2023, through revenue regulations
26 issued by the Secretary of Finance. [However, in case
27 of fermented liquors affected by the ‘no downward

1 reclassification' provision prescribed under this Section,
2 the four percent (4%) increase shall apply to their
3 respective applicable tax rates.]

4 " 'ALCOPOPS' SUCH AS, BUT NOT LIMITED TO,
5 'ALCOMIXES', 'COOLERS', 'SPIRIT COOLERS', 'WINE
6 COOLERS', 'CRUISERS', AND 'BREEZERS', SHALL MEAN
7 PRE-MIXED AND READY-TO-DRINK ALCOHOLIC
8 BEVERAGES WITH ALCOHOL CONTENT OF LESS THAN
9 TEN PERCENT (10%) ALCOHOL BY VOLUME AND WHICH
10 ALCOHOL IS FROM MALT OR WINES OR A DISTILLATION
11 PROCESS.

12 ["Fermented liquors which are brewed and sold
13 at micro-breweries or small establishments such as
14 pubs and restaurants shall be subject to the rate
15 of Twenty-eight pesos (P28.00) per liter effective on
16 January 1, 2013: *Provided*, That this rate shall be
17 increased by four percent (4%) every year thereafter
18 effective on January 1, 2014, through revenue
19 regulations issued by the Secretary of Finance.]

20 ["Fermented liquors introduced in the domestic
21 market after the effectivity of this Act shall be initially
22 tax classified according to their suggested net retail
23 prices.]

24 [" 'Suggested net retail price' shall mean the net
25 retail price at which locally manufactured or imported
26 fermented liquor are intended by the manufacturer or
27 importer to be sold on retail in major supermarkets or

1 retail outlets in Metro Manila for those marketed
2 nationwide, and in other regions, for those with regional
3 markets. At the end of three (3) months from the
4 product launch, the Bureau of Internal Revenue shall
5 validate the suggested net retail price of the newly
6 introduced fermented liquor against the net retail price
7 as defined herein and initially determine the correct tax
8 bracket to which a newly introduced fermented liquor,
9 as defined above, shall be classified. After the end of
10 nine (9) months from such validation, the Bureau of
11 Internal Revenue shall revalidate the initially validated
12 net retail price against the net retail price as of the time
13 of revalidation in order to finally determine the correct
14 tax bracket which a newly introduced fermented liquor
15 shall be classified.]

16 [“ ‘Net retail price’ shall mean the price at which
17 the fermented liquor is sold on retail in at least five (5)
18 major supermarkets in Metro Manila (for brands of
19 fermented liquor marketed nationally), excluding the
20 amount intended to cover the applicable excise tax and
21 the value-added tax. For brands which are marketed
22 outside Metro Manila, the ‘net retail price’ shall mean
23 the price at which the fermented liquor is sold in at
24 least five (5) major supermarkets in the region
25 excluding the amount intended to cover the applicable
26 excise tax and the value-added tax.]

1 [“Major supermarkets, as contemplated under
2 this Act, shall be those with the highest annual gross
3 sales in Metro Manila or the region, as the case may be,
4 as determined by the National Statistics Office, and
5 shall exclude retail outlets or kiosks, convenience or
6 sari-sari stores, and others of a similar nature:
7 *Provided*, That no two (2) supermarkets in the list to be
8 surveyed are affiliated and/or branches of each other:
9 *Provided, finally*, That in case a particular fermented
10 liquor is not sold in major supermarkets, the price
11 survey can be conducted in retail outlets where said
12 fermented liquor is sold in Metro Manila or the region,
13 as the case may be, upon the determination of the
14 Commissioner of Internal Revenue.]

15 [“The net retail price shall be determined by the
16 Bureau of Internal Revenue (BIR) through a price
17 survey under oath.]

18 [“The methodology and all pertinent documents
19 used in the conduct of the latest price survey shall be
20 submitted to the Congressional Oversight Committee on
21 the Comprehensive Tax Reform Program created under
22 Republic Act No. 8240.]

23 [“Understatement of the suggested net retail price
24 by as much as fifteen percent (15%) of the actual net
25 retail price shall render the manufacturer or importer
26 liable for additional excise tax equivalent to the tax due

1 and difference between the understated suggested net
2 retail price and the actual net retail price.]

3 ["Any downward reclassification of present
4 categories, for tax purposes, of fermented liquors
5 duly registered at the time of the effectivity of this
6 Act which will reduce the tax imposed herein, or the
7 payment thereof, shall be prohibited.]

8 ["The proper tax classification of fermented
9 liquors, whether registered before or after the effectivity
10 of this Act, shall be determined every two (2) years from
11 the date of effectivity of this Act.]

12 ["All fermented liquors existing in the market at
13 the time of the effectivity of this Act shall be classified
14 according to the net retail prices and the tax rates
15 provided above based on the latest price survey of the
16 fermented liquors conducted by the Bureau of Internal
17 Revenue.]

18 ["The methodology and all pertinent documents
19 used in the conduct of the latest price survey shall
20 be submitted to the Congressional Oversight Committee
21 on the Comprehensive Tax Reform Program created
22 under Republic Act No. 8240.]

23 "Every brewer or importer of fermented liquor
24 shall, within thirty (30) days from the effectivity of this
25 Act, and within the first five (5) days of every month
26 thereafter, submit to the Commissioner a sworn

1 statement of the volume of sales AND REMOVALS for
2 each particular brand of fermented liquor sold at his
3 establishment for the three-month period immediately
4 preceding.

5 "Any brewer or importer who, in violation of this
6 Section, misdeclares or misrepresents in his or its sworn
7 statement herein required any pertinent data or
8 information shall, upon final findings by the
9 Commissioner that the violation was committed, be
10 penalized by a summary cancellation or withdrawal of
11 his or its permit to engage in business as brewer or
12 importer of fermented liquor.

13 "Any corporation, association or partnership liable
14 for any of the acts or omissions in violation of this
15 Section shall be fined treble the amount of deficiency
16 taxes, surcharges and interest which may be assessed
17 pursuant to this Section.

18 "Any person liable for any of the acts or omissions
19 prohibited under this Section shall be criminally liable
20 and penalized under Section 254 of this Code. Any
21 person who willfully aids or abets in the commission of
22 any such act or omission shall be criminally liable in the
23 same manner as the principal.

24 "If the offender is not a citizen of the Philippines,
25 he shall be deported immediately after serving the
26 sentence, without further proceedings for deportation."

1 SEC. 2. Section 144 of the National Internal Revenue Code
2 of 1997, as amended by Republic Act No. 11346 is hereby amended
3 to read as follows:

4 “SEC. 144. [(A) *Tobacco Products.*] **TOBACCO**
5 **PRODUCTS, HEATED TOBACCO PRODUCTS, AND VAPOR**
6 **PRODUCTS. –**

7 “(A) **TOBACCO PRODUCTS. – x x x**

8 “(B) *Heated Tobacco Products.* – There shall be
9 levied, assessed and collected on heated tobacco
10 products an excise tax at the rate prescribed below:

11 “(1) [Ten pesos (P10.00)] **FORTY-FIVE PESOS**
12 **(P45.00)** per pack of twenty (20) units or packaging
13 combinations of not more than twenty (20) units
14 effective on January 1, 2020[.];

15 “**FIFTY PESOS (P50.00) PER PACK OF TWENTY (20)**
16 **UNITS OR PACKAGING COMBINATIONS OF**
17 **NOT MORE THAN TWENTY (20) UNITS EFFECTIVE ON**
18 **JANUARY 1, 2021;**

19 “**FIFTY-FIVE PESOS (P55.00) PER PACK OF**
20 **TWENTY (20) UNITS OR PACKAGING COMBINATIONS OF**
21 **NOT MORE THAN TWENTY (20) UNITS EFFECTIVE ON**
22 **JANUARY 1, 2022;**

23 “**SIXTY PESOS (P60.00) PER PACK OF TWENTY (20)**
24 **UNITS OR PACKAGING COMBINATIONS OF**
25 **NOT MORE THAN TWENTY (20) UNITS EFFECTIVE ON**
26 **JANUARY 1, 2023;**

1 “(2) PROVIDED THAT [T]he rates of tax
2 imposed under this Subsection shall be increased by five
3 percent (5%) every year effective on January 1, [2021]
4 2024, through revenue regulations issued by the
5 Secretary of Finance.

6 “x x x

7 “Manufacturers, distributors, and importers of
8 heated tobacco products shall, within thirty (30) days
9 from the effectivity of this Act, and within the first five
10 (5) days of every month thereafter, submit to the
11 Commissioner a sworn statement of the volume of sales
12 AND REMOVALS for each particular brand of heated
13 tobacco products sold for the three-month period
14 immediately preceding.

15 “x x x

16 “Any corporation, association or partnership liable
17 for any of the acts or omissions in violation of this
18 Section shall be fined treble the amount of deficiency
19 taxes, surcharges and interest which may be assessed
20 pursuant to this Section.

21 “SELLING OF HEATED TOBACCO PRODUCTS AT
22 A PRICE LOWER THAN THE COMBINED EXCISE AND
23 VALUE-ADDED TAXES IMPOSED UNDER THIS ACT SHALL
24 BE PROHIBITED. THE SELLER OF SUCH PRODUCTS
25 SHALL BE PUNISHED WITH A FINE OF NOT LESS
26 THAN TEN (10) TIMES THE AMOUNT OF EXCISE PLUS
27 VALUE-ADDED TAXES DUE BUT NOT LESS THAN TWO

1 HUNDRED THOUSAND PESOS (P200,000.00) NOR MORE
 2 THAN FIVE HUNDRED THOUSAND PESOS (P500,000.00),
 3 AND IMPRISONMENT OF NOT LESS THAN FOUR (4) YEARS
 4 BUT NOT MORE THAN SIX (6) YEARS.

5 "THE BUREAU OF INTERNAL REVENUE (BIR)
 6 IS MANDATED TO ISSUE A REVENUE REGULATION
 7 PRESCRIBING THE FLOOR PRICE OR THE MINIMUM
 8 PRICE OF HEATED TOBACCO PRODUCT TAKING INTO
 9 ACCOUNT THE SUM OF THE EXCISE AND VALUE-ADDED
 10 TAXES AS PROVIDED HEREIN.

11 "x x x

12 "(C) *Vapor Products*. – [There shall be levied,
 13 assessed and collected on vapor products an excise tax
 14 at the rates prescribed below:] VAPOR PRODUCT SHALL
 15 INCLUDE NICOTINE SALT OR SALT NICOTINE, AND
 16 CONVENTIONAL 'FREEBASE' OR 'CLASSIC' NICOTINE,
 17 AND OTHER SIMILAR PRODUCTS AS MAY BE DETERMINED
 18 BY REVENUE REGULATION:

19 [(1) Effective on January 1, 2020, individual
 20 cartridge, refill, pod, or container of vapor products
 21 containing liquid solutions or gel sold in the following
 22 quantities:]

23 [

Quantity	Excise tax
0.00 ml to 10.00 ml	Ten pesos (P10.00)
10.01 ml to 20.00 ml	Twenty pesos (P20.00)

20.01 ml to 30.00 ml	Thirty pesos (P30.00)
30.01 ml to 40.00 ml	Forty pesos (P40.00)
40.01 ml to 50.00 ml	Fifty pesos (P50.00)
More than 50.00 ml	Fifty pesos (P50.00) plus Ten pesos (P10.00) for every additional 10.00 ml

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“(1) NICOTINE SALT OR SALT NICOTINE. – THERE SHALL BE LEVIED, ASSESSED AND COLLECTED ON ANY LIQUID SUBSTANCE REGARDLESS OF NICOTINE CONTENT, INCLUDING NICOTINE-FREE LIQUIDS OR ANY SIMILAR PRODUCT USED IN ANY OF THE DEVICES LISTED IN SUBSECTION 150(D) OF THIS ACT, FURTHER CLASSIFIED AS NICOTINE SALT OR SALT NICOTINE AN EXCISE TAX BASED ON THE FOLLOWING SCHEDULES:

“EFFECTIVE ON JANUARY 1, 2020, THIRTY PESOS (P30.00) PER MILLILITER OR A FRACTION THEREOF;

“EFFECTIVE ON JANUARY 1, 2021, THIRTY-FIVE PESOS (P35.00) PER MILLILITER OR A FRACTION THEREOF;

“EFFECTIVE ON JANUARY 1, 2022, FORTY PESOS (P40.00) PER MILLILITER OR A FRACTION THEREOF;

“EFFECTIVE ON JANUARY 1, 2023, FORTY-FIVE PESOS (P45.00) PER MILLILITER OR A FRACTION THEREOF;

[“(2)] “PROVIDED THAT [T]The rates of tax imposed under this Subsection shall be increased by five percent (5%) every year effective on January 1, [2021]

1 2024, through revenue regulations issued by the
2 Secretary of Finance.

3 “(2) CONVENTIONAL ‘FREEBASE’ OR ‘CLASSIC’
4 NICOTINE. – THERE SHALL BE LEVIED, ASSESSED AND
5 COLLECTED ON ANY LIQUID SUBSTANCE, REGARDLESS
6 OF NICOTINE CONTENT, INCLUDING NICOTINE-FREE
7 LIQUID OR ANY SIMILAR PRODUCT USED IN ANY OF THE
8 DEVICES LISTED IN SUBSECTION 150(D) OF THIS ACT,
9 FURTHER CLASSIFIED AS CONVENTIONAL ‘FREEBASE’ OR
10 ‘CLASSIC’ NICOTINE AN EXCISE TAX BASED ON THE
11 FOLLOWING SCHEDULES:

12 “EFFECTIVE ON JANUARY 1, 2020, FOUR PESOS
13 AND FIFTY CENTAVOS (P4.50) PER MILLILITER OR A
14 FRACTION THEREOF;

15 “EFFECTIVE ON JANUARY 1, 2021, FIVE PESOS
16 (P5.00) PER MILLILITER OR A FRACTION THEREOF;

17 “EFFECTIVE ON JANUARY 1, 2022, FIVE PESOS
18 AND FIFTY CENTAVOS (P5.50) PER MILLILITER OR A
19 FRACTION THEREOF;

20 “EFFECTIVE ON JANUARY 1, 2023, SIX PESOS
21 (P6.00) PER MILLILITER OR A FRACTION THEREOF;

22 “PROVIDED THAT THE RATES OF TAX IMPOSED
23 UNDER THIS SUBSECTION SHALL BE INCREASED BY FIVE
24 PERCENT (5%) EVERY YEAR EFFECTIVE JANUARY 1,
25 2024, THROUGH REVENUE REGULATIONS TO BE ISSUED
26 BY THE SECRETARY OF FINANCE.

27 “THE MANUFACTURE, IMPORTATION, SALE AND
28 DISTRIBUTION OF VAPOR PRODUCTS WITH FLAVORING

1 OTHER THAN PLAIN TOBACCO OR PLAIN MENTHOL,
2 SHALL BE PROHIBITED.

3 "Manufacturers, distributors, and importers of
4 vapor products shall be required to indicate on the
5 package the actual volume in milliliters of the liquid
6 solutions and gels.

7 "x x x

8 "Any corporation, association or partnership liable
9 for any of the acts or omissions in violation of this
10 Section shall be fined treble the amount of deficiency
11 taxes, surcharges and interest which may be assessed
12 pursuant to this Section.

13 "SELLING OF VAPOR PRODUCTS AT A PRICE
14 LOWER THAN THE COMBINED EXCISE AND VALUE-ADDED
15 TAXES IMPOSED UNDER THIS ACT SHALL BE
16 PROHIBITED. THE SELLER OF SUCH PRODUCTS SHALL
17 BE PUNISHED WITH A FINE OF NOT LESS THAN TEN (10)
18 TIMES THE AMOUNT OF EXCISE TAX PLUS VALUE-ADDED
19 TAX DUE BUT NOT LESS THAN TWO HUNDRED THOUSAND
20 PESOS (P200,000.00) NOR MORE THAN FIVE HUNDRED
21 THOUSAND PESOS (P500,000.00), AND IMPRISONMENT
22 OF NOT LESS THAN FOUR (4) YEARS BUT NOT MORE THAN
23 SIX (6) YEARS.

24 "THE BUREAU OF INTERNAL REVENUE (BIR)
25 IS MANDATED TO ISSUE A REVENUE REGULATION
26 PRESCRIBING THE FLOOR PRICE OR THE MINIMUM
27 PRICE OF VAPOR PRODUCTS TAKING INTO ACCOUNT

1 THE SUM OF THE EXCISE TAX AND VALUE-ADDED TAX AS
2 PROVIDED HEREIN.

3 "x x x."

4 SEC. 3. Section 147 of the National Internal Revenue Code
5 of 1997, as amended by Republic Act 11346 is hereby amended to
6 read as follows:

7 "SEC. 147. *Definition of Terms.* - x x x

8 "x x x

9 "(f) 'Vapor products' shall mean any liquid
10 solution or gel which contains nicotine that transforms
11 into an aerosol without combustion through the
12 employment of a mechanical heating element, battery or
13 circuit that can be used to heat such solution or gel, and
14 includes but is not limited to, a cartridge, a tank, and
15 the device without a cartridge or tank. It is commonly
16 known as 'e-liquids' for 'e-cigarettes'. IT INCLUDES
17 NICOTINE SALT OR SALT NICOTINE, AND CONVENTIONAL
18 'FREEBASE' OR 'CLASSIC' NICOTINE, AND OTHER SIMILAR
19 PRODUCTS. It also includes electronic nicotine and non-
20 nicotine delivery systems (ENDS/ENNDS) which are
21 combinations of non-tobacco containing e-liquids or
22 refills which contain up to sixty-five milligrams per
23 milliliter (65mg/ml) of nicotine in the e-liquid or refill
24 and an electronic delivery device to produce an aerosol,
25 mist or vapor that users inhale by mimicking the act of
26 smoking."

1 “(G) THE TERM ‘SALT NICOTINE’ OR ‘NICOTINE
2 SALT’ SHALL REFER TO LIQUID SUBSTANCES
3 COMPATIBLE FOR USE WITH LOW-WATTAGE DEVICES
4 UNDER SECTION 150(D) OF THIS ACT, WITH A LOWER
5 ALKALINITY DUE TO THE ADDITION OF SUBSTANCES
6 SUCH AS BENZOIC ACID, OR OTHER SIMILAR
7 SUBSTANCES.

8 “(H) THE TERM CONVENTIONAL ‘FREEBASE’ OR
9 ‘CLASSIC’ NICOTINE SHALL REFER TO LIQUID
10 SUBSTANCES COMPATIBLE FOR USE WITH DEVICES
11 UNDER SECTION 150(D) OF THIS ACT NOT FALLING
12 UNDER THE DEFINITION OF ‘SALT NICOTINE’ OR
13 ‘NICOTINE SALT’.”

14 SEC. 4. Section 150 of the National Internal Revenue Code
15 of 1997, as amended, is hereby amended to read as follows:

16 “SEC. 150. *Non-essential Goods.* – x x x

17 “(a) x x x

18 “(b) x x x

19 “(c) Yachts and other vessels intended for
20 pleasure or sports[.]; AND

21 “(D) TOBACCO HEATING SYSTEMS AND
22 ELECTRONIC OR MECHANICAL CIGARETTE DEVICES,
23 WHICH INCLUDE, BUT ARE NOT LIMITED TO,
24 ELECTRONIC AND/OR NON-ELECTRONIC NICOTINE
25 DELIVERY SYSTEMS, E-CIGARETTES, VAPES,
26 VAPORIZERS, VAPING SYSTEMS, TANK SYSTEM, MODS,
27 AND E-HOOKAHS, OR ANY SIMILAR PRODUCT, AS MAY BE
28 DETERMINED BY REVENUE REGULATION, AND ANY

1 MANDATORY COMPONENT THEREOF EXCLUDING
2 BATTERIES, CHARGERS, AND CHARGING CABLES WHEN
3 SOLD SEPARATELY. HOWEVER, IF BATTERIES,
4 CHARGERS, CHARGING CORDS, AND OTHER
5 ACCESSORIES ARE SOLD OR PACKAGED TOGETHER WITH
6 A TOBACCO HEATING OR ELECTRONIC OR MECHANICAL
7 CIGARETTE DEVICE AS ONE SALEABLE ITEM, THE VALUE
8 THEREOF SHALL FORM PART OF THE WHOLESALE PRICE
9 OR THE VALUE OF IMPORTATION.”

10 SEC. 5. Section 152 of the National Internal Revenue Code
11 of 1997, as amended, is hereby amended to read as follows:

12 “SEC. 152. *Extent of Supervision Over*
13 *Establishments Producing Taxable Output.* – The BIR
14 has authority to supervise establishments where
15 articles subject to excise tax are made or kept. The
16 Secretary of Finance shall prescribe rules and
17 regulations in which the process of production shall be
18 conducted insofar as may be necessary to secure a
19 sanitary output and to safeguard revenue, such rules
20 and regulations to safeguard revenue may allow the
21 appointment of third parties to monitor production and
22 removal processes and volumes, and the exclusion of
23 excisable goods from duty-free barter transactions.

24 “IN THE CASE OF TOBACCO PRODUCTS, ANY
25 INTERNAL REVENUE OFFICER MAY, IN THE DISCHARGE
26 OF HIS OFFICIAL DUTIES, UPON ORDER OF THE COURT,
27 ENTER ANY HOUSE, BUILDING OR PLACE, INCLUDING
28 THOSE LOCATED WITHIN AREAS DEEMED AS SEPARATE
29 CUSTOMS TERRITORIES WHERE ARTICLES SUBJECT TO

1 TAX UNDER THIS TITLE ARE PRODUCED OR KEPT, OR ARE
2 BELIEVED BY HIM UPON REASONABLE GROUNDS TO BE
3 PRODUCED OR KEPT, SO FAR AS MAY BE NECESSARY TO
4 EXAMINE, DISCOVER OR SEIZE THE SAME.”

5 SEC. 6. Section 263 of the National Internal Revenue Code
6 of 1997, as amended, is hereby amended to read as follows:

7 “SEC. 263. *Unlawful Possession or Removal of*
8 *Articles Subject to Excise Tax Without Payment of the*
9 *Tax.* – Any person who owns and/or is found in
10 possession of imported articles subject to excise tax, the
11 tax on which has not been paid in accordance with law,
12 or any person who owns and/or is found in possession of
13 imported tax-exempt articles other than those to whom
14 they are legally issued shall be punished by:

15 “(a) A fine of not less than One hundred thousand
16 pesos (P100,000.00) but not more than Two hundred
17 thousand pesos (P200,000.00) and imprisonment of not
18 less than sixty (60) days but not more than one hundred
19 (100) days if the appraised value, to be determined in the
20 manner prescribed in Republic Act No. 10863, otherwise
21 known as the ‘Customs Modernization and Tariff Act
22 (CMTA)’, including duties and taxes, of the articles
23 does not exceed Two hundred fifty thousand pesos
24 (P250,000.00)[: *Provided*, That if the appraised value,
25 including duties and taxes, does not exceed Ten thousand
26 pesos (P10,000.00), the penalty shall only be a fine of
27 Twelve thousand pesos (P12,000.00)];

1 “(b) x x x

2 “x x x.”

3 SEC. 7. Section 265 of the National Internal Revenue Code
4 of 1997, as amended, is hereby amended to read as follows:

5 “SEC. 265. *Offenses Relating to Stamps.* – Any
6 person who commits any of the acts enumerated
7 hereunder shall, upon conviction thereof, be punished
8 by a fine of not less than Ten million pesos
9 (P10,000,000.00) but not more than Five hundred
10 million pesos (P500,000,000.00) and imprisonment of
11 not less than five (5) years but not more than eight
12 (8) years:

13 “(a) x x x;

14 “(b) x x x

15 “(c) x x x

16 “(d) x x x

17 “(e) x x x

18 “*Provided*, That the cumulative possession of
19 false/counterfeit/recycled tax stamps in excess of the
20 amount of Fifty million pesos (P50,000,000.00) shall be
21 punishable by a fine of Five hundred million pesos
22 (P500,000,000.00) or up to ten (10) times the value of
23 the illegal stamps seized, whichever is higher, and
24 imprisonment of not less than ten (10) years but not
25 more than fifteen (15) years.”[:

26 “*Provided, finally*, That if the cumulative value
27 of false/counterfeit/recycled tax stamps does not

1 exceed Ten thousand pesos (P10,000.00), the penalty
2 shall only be a fine in the amount of Twelve thousand
3 pesos (P12,000.00).]

4 SEC. 8. Section 288-A of the National Internal Revenue
5 Code of 1997, as amended, is hereby amended to read as follows:

6 "SEC. 288-A. *Disposition of Revenues from Excise*
7 *Tax on Sugar-Sweetened Beverages, Alcohol, Tobacco*
8 *Products, Heated Tobacco Products, and Vapor*
9 *Products.* -

10 "(A) x x x

11 "(B) *Revenues from Excise Tax on Alcohol*
12 *Products.* - The provisions of existing laws to the
13 contrary notwithstanding, [fifty percent (50%)] ONE
14 HUNDRED PERCENT (100%) of the total revenues
15 collected from the excise tax on alcohol products shall be
16 allocated and used exclusively in the following manner:

17 "(1) Eighty percent (80%) [to PhilHealth] for
18 the implementation of Republic Act No. 11223,
19 otherwise known as the 'Universal Health Care Act
20 of 2019'; and

21 "(2) Twenty percent (20%) shall be allocated
22 nationwide, based on political and district subdivisions,
23 for medical assistance, the Health Facilities
24 Enhancement Program (HFEP), the annual
25 requirements of which shall be determined by the DOH;

26 "x x x."

1 SEC. 9. A new Section 290-A is hereby added in the National
2 Internal Revenue Code of 1997, as amended, to read as follows:

3 "SEC. 290-A. A JOINT CONGRESSIONAL
4 OVERSIGHT COMMITTEE, HEREIN REFERRED TO AS
5 THE OVERSIGHT COMMITTEE ON ILLICIT TRADE ON
6 EXCISABLE PRODUCTS, SHALL BE CONSTITUTED. THE
7 OVERSIGHT COMMITTEE ON ILLICIT TRADE ON
8 EXCISABLE PRODUCTS SHALL BE COMPOSED OF THE
9 RESPECTIVE CHAIRPERSONS OF THE COMMITTEES ON
10 WAYS AND MEANS OF THE SENATE AND THE HOUSE OF
11 REPRESENTATIVES AS CO-CHAIRPERSONS AND SIX (6)
12 ADDITIONAL MEMBERS FROM EACH HOUSE TO BE
13 DESIGNATED RESPECTIVELY BY THE SENATE
14 PRESIDENT AND THE SPEAKER OF THE HOUSE OF
15 REPRESENTATIVES.

16 "THE OVERSIGHT COMMITTEE ON ILLICIT TRADE
17 ON EXCISABLE PRODUCTS SHALL, IN AID OF
18 LEGISLATION, PERFORM THE FOLLOWING DUTIES AND
19 FUNCTIONS, AMONG OTHERS:

20 "(1) REVIEW AND EVALUATE THE PROGRAMS AND
21 PERFORMANCE OF THE BUREAU OF INTERNAL REVENUE
22 AND THE BUREAU OF CUSTOMS IN ADDRESSING ILLICIT
23 TRADE ON EXCISABLE PRODUCTS AND RECOMMEND
24 NECESSARY REMEDIAL LEGISLATION;

25 "(2) REQUIRE CONCERNED GOVERNMENT
26 AGENCIES TO SUBMIT REPORTS AND ALL PERTINENT
27 DATA AND INFORMATION WHICH WILL AID IN RESOLVING
28 ILLICIT TRADE OF EXCISABLE PRODUCTS;

1 “(3) HOLD PUBLIC HEARINGS AND SUMMON
2 CONCERNED PRIVATE INDIVIDUALS, GOVERNMENT
3 PERSONNEL AND OFFICIALS AS RESOURCE PERSONS;

4 “(4) DEPUTIZE THE BUREAU OF INTERNAL
5 REVENUE, BUREAU OF CUSTOMS, THE PHILIPPINE
6 NATIONAL POLICE, THE NATIONAL BUREAU OF
7 INVESTIGATION AND OTHER ENFORCEMENT AGENCIES
8 OF THE GOVERNMENT AS MAY BE NECESSARY IN
9 UNDERTAKING ITS DUTIES AND FUNCTIONS; AND

10 “(5) PERFORM SUCH OTHER DUTIES AND
11 FUNCTIONS AS MAY BE NECESSARY TO PERFORM ITS
12 MANDATE.

13 “THE JOINT CONGRESSIONAL OVERSIGHT
14 COMMITTEE SHALL BE ASSISTED BY A SECRETARIAT
15 COMPOSED OF EVEN NUMBER OF MONITORS FROM
16 BOTH HOUSES. IT SHALL BE CO-HEADED BY THE
17 SERVICE DIRECTORS OF THE COMMITTEES ON WAYS
18 AND MEANS OF THE SENATE AND THE HOUSE OF
19 REPRESENTATIVES.”

20 SEC. 10. *Implementing Rules and Regulations.* – The
21 Secretary of Finance shall, upon the recommendation of the
22 Commissioner of Internal Revenue, promulgate the necessary rules
23 and regulations for the effective implementation of this Act.

24 SEC. 11. *Separability Clause.* – If any provision of this Act
25 shall be held unconstitutional or invalid, the other provisions
26 not otherwise affected shall remain in full force and effect.

27 SEC. 12. *Repealing Clause.* – All laws, decrees, executive
28 orders, rules and regulations or parts thereof which are contrary

1 to or inconsistent with this Act are hereby repealed, amended
2 or modified accordingly.

3 SEC. 13. *Effectivity.* - This Act shall take effect on
4 January 1, 2020 after its complete publication either in the
5 *Official Gazette* or in a newspaper of general circulation.

Approved,

O