



HOUSE OF REPRESENTATIVES

H. No. 1616

BY REPRESENTATIVES ZARATE, ALVAREZ (P.), FARINAS, SUAREZ, CUA,
VELASCO, ZUBIRI, UYBARRETA, CALDERON, FUENTEBELLA,
AMATONG, GARIN (S.), BOLILLA, BATOCABE, PIMENTEL,
TAN (A.), CERILLES, CASTELO, SALON, LEE, ROMUALDO,
RODRIGUEZ (M.), VIOLAGO, MENDING, NIETO, BELMONTE (R.)
AND PRIMICIAS-AGABAS

AN ACT EXEMPTING THE SYSTEM LOSS CHARGE
COMPONENT IN THE SALE OF ELECTRICITY
BY DISTRIBUTION COMPANIES AND ELECTRIC
COOPERATIVES FROM THE COVERAGE OF THE
VALUE-ADDED TAX, AMENDING FOR THE PURPOSE
SECTION 109 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 109 of the National Internal Revenue
2 Code of 1997, as amended by Republic Act No. 9337 and Republic
3 Act No. 10378, is hereby further amended to read as follows:

4 "SEC. 109. *Exempt Transactions.* - The following
5 shall be exempt from the value-added tax:

6 "(A) x x x;

1 "x x x

2 "(S) x x x;

3 "(T) x x x;

4 "(U) x x x;

5 "(V) x x x;

6 "(W) SYSTEM LOSS COMPONENT IN THE SALE OF
7 ELECTRICITY BY DISTRIBUTION COMPANIES AND
8 ELECTRIC COOPERATIVES;

9 "[W](X) x x x."

10 SEC. 2. *Repealing Clause.* - All laws, executive and
11 administrative orders or parts thereof inconsistent with any
12 provision of this Act are hereby repealed or modified accordingly.

13 SEC. 3. *Separability Clause.* - If any provision of this Act is
14 subsequently declared unconstitutional, the validity of the
15 remaining provisions hereof shall remain in full force and effect.

16 SEC. 4. *Effectivity.* - This Act shall take effect after fifteen
17 (15) days following the completion of its publication in the *Official*
18 *Gazette* or in a national newspaper of general circulation.

Approved,

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