



HOUSE OF REPRESENTATIVES

H. No. 4144

BY REPRESENTATIVES DE VERA, CUA, CASTRO (F.H.), ABU, ABUEG, GONZALES (A.D.), 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, 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:

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

“SEC. 145. *Cigars and Cigarettes.* –

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

 [“Effective on January 1, 2013

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

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

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

【“Effective on January 1, 2014

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

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

【“Effective on January 1, 2015

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

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

【“Effective on January 1, 2016

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

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

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

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

“EFFECTIVE ON JANUARY 1, 2017

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

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

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

“X X X.”

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

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

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

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

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

Approved,

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