

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

SEVENTEENTH CONGRESS  
First Regular Session

House Bill No. **3719**



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**Introduced by HONORABLE SCOTT DAVIES S. LANETE, M.D.**

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**EXPLANATORY NOTE**

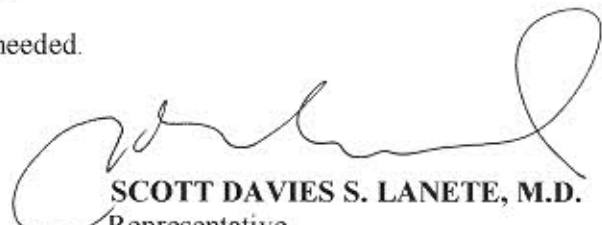
During the ancient times, salt (sodium chloride) was heavily taxed due to its importance in various cuisines and rarity. However, as civilization improved, salt became more and more available. Its ready availability placed it outside of states' interest as subjects of "sin" taxes. Thus, at present, it is no longer subjected to heavy taxes.

But nowadays, salt has acquired a new image. It is now treated as a silent killer as its consumption has a correlation with high blood pressure which consequently leads to increased risks of having a heart attack and stroke.

Due to the harmful effects of salt, a significant number of countries has imposed "sin" taxes on salt to deter people from consuming it. It is also a way for these states to pressure their citizens into adopting a healthier diet. Among the countries that impose heavy taxes on salt are Vietnam, Uganda, Tanzania, Suriname, Sri Lanka, Panama, Morocco, Kenya, Jordan, Cambodia, etc.<sup>1</sup>

The 1987 Philippine Constitution enjoins the state to protect and promote the right of health of the people and instill health consciousness among them. Thus, it is high time for the Philippines to adopt strict measures in ensuring the safety and well-being of Filipinos. Imposing a tax on the production, sale and consumption of food products that have salt as an ingredient will not only deter citizens from consuming more than the prescribed daily intake but will also generate additional funds for the government.

Therefore, the passage of this bill is urgently needed.



**SCOTT DAVIES S. LANETE, M.D.**  
Representative  
Third District, Province of Masbate

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<sup>1</sup> <http://www.dutycalculator.com/popular-import-items/import-duty-and-taxes-for-sodium-chloride/>

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**AN ACT AMENDING CERTAIN PROVISIONS OF REPUBLIC ACT NO. 8424,  
OTHERWISE KNOWN AS THE “NATIONAL INTERNAL REVENUE CODE  
OF 1997” AND FOR OTHER PURPOSES**

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

Sec. 1. Section 1 of Republic Act No. 8424 is hereby amended as follows:

“SEC. 151. Mineral Products. -

(A) Rates of Tax. - There shall be levied, assessed and collected on minerals, mineral products and quarry resources, excise tax as follows:

(1) On coal and coke, a tax of Ten pesos (P10.00) per metric ton;

(2) On all nonmetallic minerals and quarry resources, a tax of two percent (2%) based on the actual market value of the gross output thereof at the time of removal, in the case of those locally extracted or produced; or the value used by the Bureau of Customs in determining tariff and customs duties, net of excise tax and value-added tax, in the case of importation.

Notwithstanding the provision of paragraph (4) of Subsection (A) of this Section, locally extracted natural gas and liquefied natural gas shall not be subject to the excise tax imposed herein.

(3) On all metallic minerals, a tax based on the actual market value of the gross output thereof at the time of removal, in the case of those locally extracted or produced; or the value used by the Bureau of Customs in determining tariff and customs duties, net of excise tax and value-added tax, in the case of importation, in accordance with the following schedule;

(a) Copper and other metallic minerals;

(i) On the first three (3) years upon the effectivity of Republic Act No. 7729, one percent (1%);

(ii) On the fourth and the fifth years, one and a half percent (1 1/2%); and

(iii) On the sixth year and thereafter, two percent (2%);

(b) Gold and chromite, two percent (2%).

(4) On indigenous petroleum, a tax of three percent (3%) of the fair international market price thereof, on the first taxable sale, barter, exchange or such similar transaction, such tax to be paid by the buyer or purchaser before removal from the place of production. The phrase 'first taxable sale, barter, exchange or similar transaction' means the transfer of indigenous petroleum in its original state to a first taxable transferee. The fair international market price shall be determined in consultation with an appropriate government agency;

For the purpose of this Subsection, 'indigenous petroleum' shall include locally-extracted mineral oil, hydrocarbon gas, bitumen, crude asphalt, mineral gas and all other similar or naturally associated substances with the exception of coal, peat, bituminous shale and/or stratified mineral deposits.

(5) On manufactured goods that have sodium chloride, or any of its derivatives, as an ingredient and which include but are not limited to canned goods, processed food, and junk food, a tax of One peso (P1.00) shall be levied on every milligram of sodium in excess of one third of the allowable daily intake of sodium chloride as prescribed by the Department of Health."

Sec. 2. The Department of Finance in coordination with other government agencies concerned, shall promulgate not later than thirty (30) days from the effectivity of this Act, the necessary rules and regulations for the effective implementation of this Act.

Sec. 3. If any part or provision of this Act shall be held unconstitutional or invalid, other provisions which are not affected thereby shall continue to be in full force and effect.

Sec. 4. All laws, issuances or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

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

Approved.