

EIGHTEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

3283
House Bill No. _____

EXPLANATORY NOTE

This bill seeks to increase the excise tax rates on distilled spirits, wines, and fermented liquors to raise additional revenues to fund the Universal Health Care (UHC) Program of the government and to significantly curb consumption of alcohol products.

Under Republic Act (RA) No. 10351, the government collected almost P33 Billion in 2013, more than P37.30 Billion in 2014, P41.83 Billion in 2015, P49.76 Billion in 2016 and more than P59 Billion in 2017. Even with the imposition of the automatic indexation rate of 4% annually in 2018, the industry still increased its excise tax payments.

This proves that the industry steadily grows notwithstanding the excise tax rates increase every year. It is for this reason that this representation would like to impose a higher tax rate on the alcohol industry to generate the much-needed revenues for the government.

Furthermore, the bill seeks to properly categorize alcopops from being a distilled spirit to a fermented liquor. Although alcopops go through a distillation process, its alcohol content and manner of consumption are similar to fermented liquors. Therefore, alcopops should be taxed similar to fermented liquors which will bring about higher tax collection than as a distilled spirit.

The proposed excise tax rates in this bill is deemed fair, equitable and reasonable to allow the industry to prosper while providing the government with proportionately growing excise tax collections.

This proposed bill is estimated to generate additional revenues on the initial year, while at the same time, curbing the volume of sales of alcohol products.

In view of the foregoing, approval of this bill is earnestly sought.

A handwritten signature in black ink, appearing to read "RUFUS B. RODRIGUEZ".

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AN ACT

AMENDING SECTIONS 141, 142 AND 143 OF REPUBLIC ACT NO. 8424, AS AMENDED, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF 1997

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

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

CHAPTER III – EXCISE TAX ON ALCOHOL PRODUCTS

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

[(a) Effective on January 1, 2013

(1) An ad Valorem tax equivalent to fifteen percent (15%) of the net retail price (excluding the excise tax and the value-added tax) per proof; and

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

[(b) Effective on January 1, 2015

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

(2) In addition to the ad valorem tax herein imposed, a specific tax rate of Twenty Pesos (P20.00) per proof liter.]

[(c) In addition to the ad valorem tax herein imposed, the specific tax rate of Twenty pesos (P20.00) imposed under this Section shall be increased by four percent (4%) every year thereafter affective on January 1, 2016, through revenue regulation issued by the Secretary of Finance.]

(A) EFFECTIVE JANUARY 1, 2020

(1) AN AD VALOREM TAX EQUIVALENT TO TWENTY PERCENT (20%) OF THE NET RETAIL PRICE (EXCLUDING THE EXCISE TAX AND THE VALUE-ADDED TAX) PER PROOF; AND

(2) IN ADDITION TO THE AD VALOREM TAX HEREIN IMPOSED, A SPECIFIC TAX OF THIRTY PESOS (P30.00) PER PROOF LITER.

(B) EFFECTIVE JANUARY 1, 2021

- (1) AN AD VALOREM TAX EQUIVALENT TO TWENTY PERCENT (20%) OF THE NET RETAIL PRICE (EXCLUDING THE EXCISE TAX AND THE VALUE-ADDED TAX) PER PROOF; AND
- (2) IN ADDITION TO THE AD VALOREM TAX HEREIN IMPOSED, A SPECIFIC TAX OF THIRTY-FIVE PESOS (P35.00) PER PROOF LITER.

(C) EFFECTIVE JANUARY 1, 2022

- (1) AN AD VALOREM TAX EQUIVALENT TO TWENTY PERCENT (20%) OF THE NET RETAIL PRICE (EXCLUDING THE EXCISE TAX AND THE VALUE-ADDED TAX) PER PROOF; AND
- (2) IN ADDITION TO THE AD VALOREM TAX HEREIN IMPOSED, A SPECIFIC TAX OF FORTY PESOS (P40.00) PER PROOF LITER.

(D) EFFECTIVE JANUARY 1, 2023

- (1) AN AD VALOREM TAX EQUIVALENT TO TWENTY PERCENT (20%) OF THE NET RETAIL PRICE (EXCLUDING THE EXCISE TAX AND THE VALUE-ADDED TAX) PER PROOF; AND
- (2) IN ADDITION TO THE AD VALOREM TAX HEREIN IMPOSED, A SPECIFIC TAX OF FORTY FIVE PESOS (P45.00) PER PROOF LITER.

(E) IN ADDITION TO THE AD VALOREM TAX HEREIN IMPOSED, THE SPECIFIC TAX IMPOSED UNDER THIS SECTION SHALL BE INCREASED BY FOUR PERCENT (4%) EVERY YEAR THEREAFTER, EFFECTIVE JANUARY 1, 2024, THROUGH REVENUE REGULATIONS TO BE ISSUED BY THE SECRETARY OF FINANCE.

Medicinal preparations, flavouring extracts, and all other preparations, except toilet preparations, of which, excluding water, distilled spirits form the chief ingredient, shall be subject to the same tax as such chief ingredient.

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

'Spirits or distilled spirits' is the substance known as ethyl alcohol, ethanol or spirits of wine, including all dilutions, purifications and mixtures thereof, from whatever source, by whatever process produced, and shall include whisky, brandy, rum, gin and vodka, and other similar products of mixtures.

'Proof spirits' is liquor containing one-half (1/2) of its volume of alcohol of a specific gravity of seven thousand nine hundred and thirty-nine ten thousandths (0.7939) at fifteen degrees centigrade (15°C). A 'proof liter' means a liter of proof spirits.

'Net retail price' shall mean the price at which the distilled spirits is sold on retail in at least five (5) major supermarket in Metro Manila, excluding the amount intended to cover the applicable excise tax and the value-added tax. For distilled spirits which are marketed outside Metro Manila, the 'net retail price' shall mean the price at which the distilled spirits is sold in at least Five (5) major supermarkets in the region excluding the amount intended to cover the applicable excise tax and the

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

Major supermarkets, as contemplated under this Act, shall be those with the highest annual gross sales in Metro Manila or the region, as the case may be, as determined by the [National Statistics Office] BUREAU OF INTERNAL REVENUE (BIR), and shall exclude retail outlets or kiosks, convenience or sari-sari stores, and others of a similar nature: *Provided*, That no two (2) supermarkets in the list to be surveyed are affiliated and/or branches of each other: *Provided, finally*, That in case a particular distilled spirits is not sold in major supermarkets, the price survey can be conducted in retail outlets where said distilled spirit is sold in Metro Manila or the region, as the case may be, upon the determination of the Commissioner of Internal Revenue.

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

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

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

Distilled spirits introduced in the domestic market after the effectiveness of this Act shall be initially taxed according to their suggested net retail prices.

Suggested net retail price' shall mean the net retail price (excluding the value added tax and the excise tax) at which locally manufactured or imported distilled spirits are intended by the manufacturer or imported to be sold on retail in major supermarkets or retail outlets in Metro Manila for those marketed nationwide, and in other regions, for those with regional markets. At the end of three (3) months from the product launch, the Bureau of Internal Revenue shall validate the suggested net retail price of the new brand against the net retail price as defined herein and initially determine the correct tax on a newly introduced distilled spirits. After the end of nine (9) months from such validation, the Bureau of Internal Revenue shall revalidate the initially validated net retail price against the net retail price as of the time of revalidated in order to finally determine the correct tax on a newly introduced distilled spirits.

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

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

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

Any manufacturer or importer who, in violation of this Section, misdeclares or misrepresent in his or its own sworn statement herein required any pertinent data or information shall, upon final findings by the Commissioner that the violation was committed, be penalized by a summary cancellation or withdrawal of his or its permit to engage in business as manufacturer or importer of distilled spirits.

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

Any person liable for any of the acts or omissions prohibited under this Section shall be criminally liable and penalized under Section 254 of this Code. Any person who wilfully aids or abets in the commission of any such act or omission shall be criminally liable in the same manner as the principal.

If the offender is not a citizen of the Philippines, he shall be deported immediately after serving the sentence, without further proceeding for deportation.

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

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

- [(1) Five hundred pesos (P500.00) or less – Two hundred fifty pesos (P250.00): and
- (2) More than Five hundred pesos (P500.00) – Seven hundred pesos (P700.00).]

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

(2) IN ADDITION TO THE AD VALOREM TAX HEREIN IMPOSED, A SPECIFIC TAX OF SIX HUNDRED FIFTY PESOS (P650.00) PER LITER.

(b) Still wines and carbonated wines containing NOT MORE THAN fourteen percent (14%) of alcohol by volume or[less], **FORTY PESOS (P40.00) PER LITER**; and

(c) Still wines and carbonated wines containing NOT MORE THAN fourteen percent (14%) { but not more than twenty-five (25%)} of alcohol by volume, **EIGHTY PESOS (P80.00) PER LITER**.

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

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

[Fortified wines containing more than twenty-five percent (25%) of alcohol by volume shall be taxed as distilled spirits. 'Fortified wines' shall mean natural wines to which distilled spirits are added to increase their alcohol strength.]

'Net retail price' shall mean the price at which sparkling wine [/champagne] is sold on retail in at least five (5)major supermarkets in Metro Manila, excluding the amount intended to cover the applicable excise tax and the value-added tax. For sparkling wines [/champagnes] which are marketed outside Metro Manila, the 'net retail price' shall mean the price at which the wine is sold in at least five (5)major supermarkets in the region, excluding the amount intended to cover the applicable excise tax and value-added tax. **THIS SHALL INITIALLY BE PROVIDED BY THE MANUFACTURER THROUGHT A SWORN STATEMENT AND SHALL BE VALIDATED BY THE BUREAU OF INTERNAL REVENEU THROUGH A PRICE SURVEY.**

Major supermarkets, as contemplated under this Act, shall be those with the highest annual gross sales in Metro Manila or the region, as the case may be, as determined by the [National Statistics office] **BUREAU OF INTERNAL REVENUE (BIR)**, and shall exclude retail outlets or kiosks, convenience or sari-sari stores, and others of a similar nature: *Provided*, That no two (2) supermarkets in the list to be surveyed are affiliated and/or branches of each other: *Provided, finally*, That in case a particular sparkling wine [/champagne] is not sold in major supermarkets, the price survey can be conducted in retail outlets where said sparkling wine [/champagne] is sold in Metro Manila or the region, as the case may be, upon the determination of the Commissioner of Internal Revenue.

The net retail price shall be determined by the Bureau of Internal Revenue through a **BIANNUAL** price survey under oath.

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

Understatement of the suggested net retail price by as much as fifteen percent (15%) of the actual net retail price shall render the manufacture or importer liable for additional excise tax equivalent to the tax due and different between the understated suggested net retail price and the actual net retail price.

Sparkling wines [/champagne] introduced in the domestic market after the effectively of this Act shall be initially tax classified according to their suggested net retail prices.

'Suggested net retail price' shall mean the net retail price (excluding VAT and excise tax) at which locally manufactured or imported sparkling wines [/champagnes] are intended by the manufacturer or importer to be sold on retail in major supermarkets or retail outlets in Metro Manila for those marketed nationwide, and in other regions, for those with regional markets. At the end of three months from the products launch, the Bureau of Internal Revenue shall validate the suggested net retail price of the sparkling wine/ [champagne] against the net retail price as defined herein and initially determine the correct tax bracket to which a newly introduced sparkling wine [/champagne] shall be classified. After the end of nine (9) months from such validation, the Bureau of Internal Revenue shall revalidate the initially validated net retail price against the net retail price as for the time of revalidation in order to finally determine the correct tax bracket to which a newly introduced sparkling wine [/champagne] shall be classified. The proper tax classification of sparkling wines [/champagnes], whether registered before or after the effectivity of this Act, shall be determine every two(2) years from the date of effectivity of this Act.

[All sparkling wines/champagnes existing in the market at the time of the effectivity of this Act shall be taxed according to the net retail price and the tax rates provided above based on the latest price survey of the sparkling wines/champagnes conducted by the Bureau of Internal Revenue.]

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

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

Any manufacturer or importer who, in violation of this Section, misdeclares or misrepresent in his or its own sworn statement herein required any pertinent data or information shall, upon final findings by the Commissioner that the violation was committed, be penalized by a summary cancellation or withdrawal of his or its permit to engage in business as manufacturer or importer of wines.

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

Any person liable for any of the acts or omissions prohibited under this Section shall be criminally liable and penalized under Section 254 of this Code. Any person who wilfully aids or abets in the commission of any such act or omission shall be criminally liable in the same manner as the principal.

If the offender is not a citizen of the Philippines, he shall be deported immediately after serving the sentence, without further proceeding for deportation.

SEC. 143. ALCOPOPS AND Fermented Liquor. – There shall be levied, assessed and collected an excise tax on **ALCOPOPS**, beer, larger beer, ale, porter and other fermented liquor except *tuba, basi, tapuy* and similar domestic fermented liquor in accordance with the following schedules:

[Effective on January 1, 2013

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

[(b) If the net retail price (excluding the excise tax and the value-added tax) per liter of volume capacity is more than Fifty pesos and sixty centavos (P50.60), the tax shall be Twenty pesos (P20.00) per liter]

[Effective on January 1, 2014

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

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

[Effective on January 1, 2015

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

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

[Effective on January 1, 2016

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

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

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

EFFECTIVE ON JANUARY 1, 2020, THE TAX ON ALL ALCOPOPS AND FERMENTED LIQUORS REGARDLESS IF MANUFACTURED IN FACTORIES OR SOLD AND BREWED AT MICRO-BREWERIES OR SMALL ESTABLISHMENTS SUCH AS PUBS AND RESTAURANTS SHALL BE TWENTY EIGHT PESOS (P28.00) PER LITER.

EFFECTIVE ON JANUARY 1, 2021, THE TAX ON ALL ALCOPOPS AND FERMENTED LIQUORS REGARDLESS IF MANUFACTURED IN FACTORIES OR SOLD AND BREWED AT MICRO-BREWERIES OR SMALL ESTABLISHMENTS SUCH AS PUBS AND RESTAURANTS SHALL BE THIRTY TWO PESOS (P32.00) PER LITER.

EFFECTIVE ON JANUARY 1, 2022, THE TAX ON ALL ALCOPOPS AND FERMENTED LIQUORS REGARDLESS IF MANUFACTURED IN FACTORIES OR SOLD AND BREWED AT MICRO-BREWERIES OR SMALL ESTABLISHMENTS SUCH AS PUBS AND RESTAURANTS SHALL BE THIRTY FOUR PESOS (P34.00) PER LITER.

EFFECTIVE ON JANUARY 1, 2023, THE TAX ON ALL ALCOPOPS AND FERMENTED LIQUORS REGARDLESS IF MANUFACTURED IN FACTORIES OR SOLD AND BREWED AT MICRO-BREWERIES OR SMALL ESTABLISHMENTS SUCH AS PUBS AND RESTAURANTS SHALL BE THIRTY SIX PESOS (P36.00) PER LITER.

The rates of tax imposed under this Section shall be increased by four percent (4%) every year thereafter effective on [January 1, 2018] January 1, 2024, through revenue regulations issued by the Secretary of Finance. [However, in case of fermented liquors affected by the 'no downward reclassification' provision prescribed under this Section, the four percent (4%) increase shall apply to their respective applicable tax rates.

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

[‘Suggested net retail price’ shall mean the net retail price at which locally manufactured or imported fermented liquor are intended by the manufacturer or importer to be sold on retail in major supermarket or retail outlets in Metro Manila for those marketed nationwide, and in other region, for those with regional markets. At the end of three (3) months from the product launch, the Bureau of Internal Revenue shall validate the suggested net retail price of the newly introduced fermented liquor against the net retail price as defined herein and initially determine the correct tax bracket to which a newly introduced fermented liquor, as defined above, shall be classified. After the end of nine (9) months from such validation, the Bureau of Internal Revenue shall revalidate the initially validated net retail price against the net retail price as of the time of revalidation in order to finally determine the correct tax bracket to which a newly introduced fermented liquor shall be classified.]

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

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

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

[The methodology and all pertinent documents used in the conduct of the latest price survey shall be submitted to the Congressional Oversight Committee on the Comprehensive Tax Reform Program (COCCTR) created under Republic Act No. 8240.]

[Understatement of the suggested net retail price by as much as fifteen percent (15%) of the actual net retail price shall render the manufacturer of imported liable for additional excise tax equivalent to the tax due and difference between the understated suggested net retail price and the actual net retail price.]

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

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

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

[The methodology and all pertinent documents used in the conduct of the latest price survey shall be submitted to the Congressional Oversight Committee on the Comprehensive Tax Reform Program (COCCTR) created under Republic Act No. 8240.]

'ALCOPOP SHALL MEAN ALCOHOLIC BEVERAGES WITH ALCOHOL CONTENT OF LESS THAN 10% ALCOHOL BY VOLUME AND WHOSE ALCOHOL IS SOURCED FROM MALT OR A DISTILLATION PROCESS. ALCOPOP SHALL BE TAXED AS FERMENTED LIQUOR.

Every brewer or importer of fermented liquor shall, within thirty (30) days from the effectivity of this Act, and within the first five (5) days of every month thereafter, submit to the Commissioner a sworn statement of the volume of sales **AND REMOVALS** for each particular brand of **ALCOPOPS AND/OR** fermented liquor sold at his establishment for the three-month period immediately preceding.

Any brewer or importer who, in violation of this Section, misdeclares or misrepresent in his or its sworn statement herein required any pertinent data or information shall, upon final findings by the Commissioner that the violation was committed, be penalized by a summary cancellation or withdrawal of his or its permit to engage in business as brewer or importer of **ALCOPOPS AND/OR** fermented liquor.

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

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

If the offender is not a citizen of the Philippines, he shall be deported immediately after serving the sentence, without further proceeding for deportation.

SEC. 2. *Implementing Rules and Regulations.* – The Secretary of Finance shall, upon the recommendation of the Commissioner of Internal Revenue, promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 3. *Separability Clause.* – If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

SEC. 4. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulation or parts thereof which are contrary to or inconsistent with this Act are hereby repealed, amended or modified accordingly.

SEC. 5. *Effectivity Clause.* – This Act shall take effect on January 1, 2019 after its completed publication either in the Official Gazette or in a newspaper of general circulation

Approved,