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LAWNUM: RA06956
DATE : 06/18/90
TITLE : AN ACT MODIFYING THE EXCISE TAX ON DISTILLED SPIRITS, WINES,
FERMENTED LIQUOR AND CIGARETTES, AMENDING FOR THE PURPOSE SECTIONS
138(A)
AND (B), 139, 140 AND 142(C) AND (D) OF THE NATIONAL INTERNAL
REVENUE
CODE, AS AMENDED

TEXT :

H. No. 27964

Republic of the Philippines
Congress of the Philippines
Metro Manila

Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-fourth day of
July,
nineteen hundred and eighty-nine.

[REPUBLIC ACT No. 06956]

AN ACT MODIFYING THE EXCISE TAX ON DISTILLED
SPIRITS, WINES, FERMENTED LIQUOR AND
CIGARETTES, AMENDING FOR THE PURPOSE
SECTIONS 138(A) AND (B), 139, 140 AND
142(C) AND (D) OF THE NATIONAL INTERNAL
REVENUE CODE, AS AMENDED

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

SECTION 1. Sections 138(a) and (b), 139, 140 and
142(c) and (d) of the National Internal Revenue Code,
as amended, are hereby further amended to read as follows:

"SEC. 138. Distilled spirits. - On distilled spirits,
there shall be collected, subject to the provisions of Section
130 of this Code, specific taxes as follows:

"(a) If produced from sap of nipa, coconut, cassava,
camote or buri palm or from the juice, syrup or sugar of the
cane, provided such materials are produced commercially
in the country where they are processed into distilled spirits,
per proof liter, Four pesos: Provided, That if produced

in a pot still or other similar primary distilling apparatus, by a distiller producing not more than 100 liters a day, containing not more than fifty percent (50%) of alcohol by volume, per proof liter, One peso and fifty-six centavos;

"(b) If produced from raw materials other than those enumerated in the preceding paragraph, per proof liter, Thirty-five pesos; and"

"SEC. 139. Wines. - On wines, there shall be collected per liter of volume capacity, the following taxes:

"(a) Sparkling wines regardless of proof, Twenty-six pesos;

"(b) Still wines containing fourteen percent (14%) of alcohol by volume or less, Three pesos; and

"(c) Still wines containing more than fourteen percent (14%) of alcohol by volume, Eight pesos.

"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 alcoholic strength."

"SEC. 140. Fermented liquor. - There shall be levied, assessed and collected an ad valorem tax equivalent to fifty percent (50%) upon the effectivity of this Act and sixty percent (60%) six (6) months thereafter of the brewer's wholesale price, excluding the ad valorem tax imposed under this section and the value-added tax imposed under Title IV, on beer, lager beer, ale, porter and other fermented liquors except tuba, basi, tapuy and similar domestic fermented liquors, but in no case shall the sum total of the ad valorem tax and value-added tax be less than P1.00 per regular 320 ml. bottle."

"SEC. 142. Cigars and cigarettes. -

"(c) Cigarettes packed in twenties. - There shall be levied, assessed and collected on cigarettes packed in twenties an ad valorem tax at the rates prescribed below based on the manufacturer's registered wholesale price:

"(1) On locally manufactured cigarettes bearing a foreign brand, fifty-five percent (55%): Provided, That this rate shall apply regardless of whether or not the right to use or title to the foreign brand was sold or transferred by its owner to the local manufacturer. Whenever it has to be determined whether or not a cigarette bears a foreign brand, the listing of brands manufactured in foreign countries appearing in the current World Tobacco Directory

shall govern.

"(2) On other locally manufactured cigarettes, forty-five percent (45%).

"Duly registered or existing brands of cigarettes packed in twenties shall not be allowed to be packed in thirties.

"When the existing registered wholesale price, including tax, of cigarettes packed in twenties does not exceed P4.00 per pack, the rate shall be twenty percent (20%).

"(d) Imported cigarettes. - If the cigarettes are of foreign manufacture, regardless of the contents per pack, there shall be levied, assessed and collected an ad valorem tax of sixty-five percent (65%) of the importer's wholesale price and fifty-five percent (55%) beginning July 1, 1990.

"For purposes of this section, 'manufacturer's or importer's registered wholesale price' shall include the ad valorem tax imposed in paragraphs (a), (b), (c) or (d) hereof and the amount intended to cover the value-added tax imposed under Title IV of this Code."

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

SEC. 3. Except as provided herein, this Act shall take effect fifteen (15) days following its publication in a newspaper of general circulation in the Philippines.

Approved,

JOVITO R. SALONGA
President of the Senate

RAMON V. MITRA
Speaker of the House
of Representatives

This Act which originated in the House of Representatives was finally passed by the House of Representatives and the Senate on June 7, 1990.

EDWIN P. ACOBA
Secretary of the Senate

QUIRINO D. ABAD SANTOS, JR.
Secretary of the House of
Representatives

Approved: June 18, 1990

CORAZON C. AQUINO
President of the Philippines