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TITLE : AN ACT REVISING THE FORM OF TAXATION ON PETROLEUM PRODUCTS
FROM

AD VALOREM TO SPECIFIC, AMENDING FOR THE PURPOSE SECTION 145 OF THE
NATIONAL INTERNAL REVENUE CODE, AS AMENDED BY REPUBLIC ACT NUMBERED
SIXTY-SEVEN HUNDRED SIXTY-SEVEN

TEXT :

H. No. 32222

Republic of the Philippines
Congress of the Philippines
Metro Manila

Fourth Regular Session

Begun and held in Metro Manila, on Monday, the twenty third day of
July,
nineteen hundred and ninety.

[REPUBLIC ACT No. 06965]

AN ACT REVISING THE FORM OF TAXATION ON
PETROLEUM PRODUCTS FROM AD VALOREM TO
SPECIFIC, AMENDING FOR THE PURPOSE SECTION
145 OF THE NATIONAL INTERNAL REVENUE CODE,
AS AMENDED BY REPUBLIC ACT NUMBERED
SIXTY-SEVEN HUNDRED SIXTY-SEVEN

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

SECTION 1. Section 145 of the National Internal Revenue Code, as
amended by Republic Act Numbered Sixty-seven hundred sixty-seven,
is hereby further amended to read as follows:

"SEC. 145. Manufactured oils and other fuels. - There shall be
collected on refined and manufactured mineral oils and motor
fuels, the following specific taxes which shall attach to the
goods hereunder enumerated as soon as they are in existence as
such:

"(1) Lubricating oils and greases including but not limited to
basestock for lube oils and greases, high vacuum distillates,
aromatic extracts and other similar preparations, and additives

for lubricating oils and greases whether such additives are petroleum based or not, per liter of volume capacity, Four pesos and fifty centavos (P4.50): Provided, however, That the specific taxes paid on the purchased feedstock (bunker) used in the manufacture of exciseable articles and forming part thereof shall be credited against the specific tax due therefrom: Provided, further, That lubricating oils and greases produced from basestocks and additives on which the specific tax has already been paid shall no longer be subject to specific tax;

"(2) Processed gas, per liter of volume capacity, Five centavos (P0.05);

"(3) Waxes and petroleum, per kilogram, Three pesos and fifty centavos (P3.50);

"(4) On denatured alcohol to be used for motive power, per liter of volume capacity, Five centavos (P0.05): Provided, That unless otherwise provided by special laws, if the denatured alcohol is mixed with gasoline, the specific tax on which has already been paid, only the alcohol content shall be subject to the tax herein prescribed. For purposes of this subsection, the removal of denatured alcohol of not less than one hundred eighty degrees proof (ninety percent absolute alcohol) shall be deemed to have been removed for motive power, unless shown otherwise;

"(5) Naphtha, regular gasoline and other similar products of distillation, per liter of volume capacity, Two pesos and twenty-eight centavos (P2.28);

"(6) Premium gasoline, per liter of volume capacity, Two pesos and fifty-two centavos (P2.52);

"(7) Aviation turbo jet fuel, per liter of volume capacity, Two pesos and thirty-eight centavos (P2.38);

"(8) Kerosene, per liter of volume capacity, Fifty centavos (P0.50);

"(9) Diesel fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, Forty-five centavos (P0.45);

"(10) Liquefied petroleum, per liter, zero (P0.00): Provided, That liquefied petroleum gas used for motive power shall be taxed at the equivalent rate as the specific tax on diesel fuel oil;

"(11) Asphalts, per kilogram, Fifty-six centavos (P0.56);

"(12) Bunker fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, zero (P0.00); and

"(13) Naphtha, when used as a, raw material in the production of

petrochemical products, per liter of volume capacity, zero (P0.00): Provided, That naphtha processed by domestic refineries, if available as determined by the Energy Regulatory Board, shall be utilized before any naphtha may be imported for this purpose: Provided, further, That the by-product including fuel oil, diesel fuel, kerosene, pyrolysis gasoline, liquefied petroleum gases and similar oils having more or less the same generating power, which are produced in the processing of naphtha into petrochemical products shall be subject to the applicable specific tax specified in this section, except when such by-products are transferred to any of the local oil refineries through sale, barter, or exchange, for the purpose of further processing or blending into finished products which are subject to specific tax under this section."

SEC. 2. All laws, decrees, executive orders, issuances, rules and regulations, or any part thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 3. This Act shall take effect upon its approval.

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 September 14, 1990.

EDWIN P. ACOBA
Secretary of the Senate
of

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

Approved: September 19, 1990

CORAZON C. AQUINO
President of the Philippines