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TECHNICAL WORKING GROUP MEETING				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Ways and Means (Technical Working Group)	HBs 4839, 8286 & 8334	Deputy Speaker Garin, Reps. Suansing (H.), and Nieto	Amending Sections 141, 142 and 143 of RA 8424, otherwise known as the National Internal Revenue Code (NIRC) of 1997, as amended, restructuring and increasing the excise tax rates on alcohol products	<p>The technical working group (TWG), presided by Quirino Rep. Dakila Carlo Cua, terminated its deliberations on the three bills. The Secretariat was tasked to draft a substitute bill, which will be submitted to the mother Committee for its consideration and approval.</p> <p>House Speaker Gloria Macapagal-Arroyo (2nd District, Pampanga) was present during the meeting.</p> <p>The proposed law aims to restructure the excise tax rates on alcohol thereby increasing government revenues without hampering the growth of the liquor industry.</p> <p>The TWG focused its discussion on the excise tax rates to be imposed on sparkling, still, carbonated, and fortified wines; and fermented liquor.</p> <p>Accordingly, the TWG agreed that distilled spirits will be taxed on a per proof liter basis at the rate of 22% ad valorem tax and specific tax of P30 for 2019, P35 for 2020, P40 for 2021, and P45 for 2022, to be increased by 7% every year thereafter.</p> <p>Sparkling wines will be taxed at the rate of 15% ad valorem and specific tax of P650. On the other hand, still and carbonated wines were categorized into two tiers: those with alcohol content of 14% and below will be levied a specific tax of P40 for 2019 while those with alcohol content of above 14% will be levied a specific tax of P80 for the same year. Both will increase by 7% every year thereafter. Fortified wines were deleted in the proposed law considering that their market is too small.</p> <p>Lastly, fermented liquors will be charged a specific tax of P28, P32, P34 and P36 for years 2019 to 2022, respectively, with additional 7% every year thereafter.</p>

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