



HOUSE OF REPRESENTATIVES

H. No. 8677

BY REPRESENTATIVES SALCEDA, TAN (A.), ROCAMORA, LIMKAICHONG,
ANGARA-CASTILLO, BORDADO, BATOCABE, DELOS-MONTALLA,
SY-ALVARADO, BRAVO (A.), SUANSING (E.) AND BRAVO (M.V.),
PER COMMITTEE REPORT NO. 973

AN ACT INCREASING THE EXCISE TAX RATE ON TOBACCO
PRODUCTS, AMENDING FOR THE PURPOSE SECTION
145 OF THE NATIONAL INTERNAL REVENUE CODE
OF 1997, AS AMENDED BY REPUBLIC ACT NO. 10963

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

1 SECTION 1. Section 145 of the National Internal Revenue
2 Code of 1997, as amended by Republic Act. No. 10963, is hereby
3 further amended to read as follows:

4 "SEC. 145. *Cigars and Cigarettes.* -

5 "(A) *Cigars.* - x x x

6 "(B) *Cigarettes Packed by Hand.* - There shall be
7 levied, assessed and collected on cigarettes packed by
8 hand an excise tax based on the following schedules:

9 ["Effective on January 1, 2018 until June 30,
10 2018, Thirty-two pesos and fifty centavos (P32.50) per
11 pack;]

1 ["Effective on July 1, 2018 until December 31,
2 2019, Thirty-five pesos (P35.00) per pack;]

3 ["Effective on January 1, 2020 until December 31,
4 2021, Thirty-seven pesos and fifty centavos (P37.50) per
5 pack; and]

6 ["Effective on January 1, 2022 until December 31,
7 2023, Forty pesos (P40.00) per pack.]

8 ["The rates of tax imposed under this subsection
9 shall be increased by four percent (4%) every year
10 effective January 1, 2024, through revenue regulations
11 issued by the Secretary of Finance.]

12 "EFFECTIVE JULY 1, 2019, THIRTY-SEVEN PESOS
13 AND FIFTY CENTAVOS (P37.50) PER PACK;

14 "EFFECTIVE JULY 1, 2020, FORTY PESOS
15 (P40.00) PER PACK;

16 "EFFECTIVE JULY 1, 2021, FORTY-TWO PESOS
17 AND FIFTY CENTAVOS (P42.50) PER PACK; AND

18 "EFFECTIVE JULY 1, 2022, FORTY-FIVE PESOS
19 (P45.00) PER PACK.

20 "THE RATE OF TAX IMPOSED UNDER THIS
21 SUBSECTION SHALL BE INCREASED BY FOUR PERCENT
22 (4%) EVERY YEAR EFFECTIVE JULY 1, 2023, THROUGH
23 REVENUE REGULATIONS ISSUED BY THE SECRETARY OF
24 FINANCE.

1 "Duly registered cigarettes packed by hand shall
2 only be packed in twenties and other packaging
3 combinations of not more than twenty.

4 " 'Cigarettes packed by hand' shall refer to the
5 manner of packaging of cigarette sticks using an
6 individual person's hands and not through any other
7 means such as a mechanical device, machine or
8 equipment.

9 "(C) *Cigarettes Packed by Machine.* – There shall
10 be levied, assessed and collected on cigarettes packed by
11 machine a tax at the rates prescribed below:

12 ["Effective on January 1, 2018 until June 30,
13 2018, the tax on all cigarettes packed by machine shall
14 be Thirty-two pesos and fifty centavos (P32.50) per
15 pack;]

16 ["Effective on July 1, 2018 until December 31,
17 2019, the tax on all cigarettes packed by machine shall
18 be Thirty-five pesos (P35.00) per pack;]

19 ["Effective on January 1, 2020 until December 31,
20 2021, the tax on all cigarettes packed by machine shall
21 be Thirty-seven pesos and fifty centavos (P37.50) per
22 pack; and]

23 ["Effective on January 1, 2022 until December 31,
24 2023, the tax on all cigarettes packed by machine shall
25 be Forty pesos (P40.00) per pack;]

1 ["The rates of tax imposed under this Subsection
2 shall be increased by four percent (4%) every year
3 thereafter effective on January 1, 2024, through
4 revenue regulations issued by the Secretary of
5 Finance."]

6 "EFFECTIVE JULY 1, 2019, THE TAX ON ALL
7 CIGARETTES PACKED BY MACHINE SHALL BE
8 THIRTY-SEVEN PESOS AND FIFTY CENTAVOS (P37.50)
9 PER PACK;

10 "EFFECTIVE JULY 1, 2020, THE TAX ON ALL
11 CIGARETTES PACKED BY MACHINE SHALL BE FORTY
12 PESOS (P40.00) PER PACK;

13 "EFFECTIVE JULY 1, 2021, THE TAX ON ALL
14 CIGARETTES PACKED BY MACHINE SHALL BE
15 FORTY-TWO PESOS AND FIFTY CENTAVOS (P42.50) PER
16 PACK; AND

17 "EFFECTIVE JULY 1, 2022, THE TAX ON ALL
18 CIGARETTES PACKED BY MACHINE SHALL BE FORTY-
19 FIVE PESOS (P45.00) PER PACK.

20 "THE RATE OF TAX IMPOSED UNDER THIS
21 SUBSECTION SHALL BE INCREASED BY FOUR
22 PERCENT (4%) EVERY YEAR THEREAFTER EFFECTIVE ON
23 JULY 1, 2023, THROUGH REVENUE REGULATIONS
24 ISSUED BY THE SECRETARY OF FINANCE.

25 "x x x."

26 SEC. 2. *Implementing Rules and Regulations.* – The
27 Secretary of Finance shall, upon the recommendation of the

1 Commissioner of Internal Revenue, promulgate the necessary rules
2 and regulations for the effective implementation of this Act.

3 SEC. 3. *Separability Clause.* – If any of the provisions of
4 this Act is declared invalid by a competent court, the remainder of
5 this Act or any provision not affected by such declaration of
6 invalidity shall remain in force and effect.

7 SEC. 4. *Repealing Clause.* – All laws, decrees, ordinances,
8 rules and regulations, executive or administrative orders, and such
9 other presidential issuances as are inconsistent with any of the
10 provisions of this Act are hereby repealed, amended or otherwise
11 modified accordingly.

12 SEC. 5. *Effectivity.* – This Act shall take effect on
13 July 1, 2019 following its complete publication in the *Official*
14 *Gazette* or in at least one (1) newspaper of general circulation.

Approved,

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