

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



Thirteenth Congress
First Regular Session

House Bill No. **2899**

Introduced by Honorable Catalino V. Figueroa

EXPLANATORY NOTE

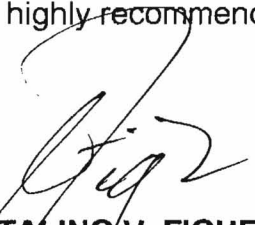
In her State of the Nation Address, President Gloria Macapagal-Arroyo stressed the imposition of additional tax measures in order to raise more revenues for the government's continued existence. Since the government is cash-strapped, this bill provides for the imposition of an excise tax on the manufacture of bottled water.

With the water shortage being experienced by the public in the past years, the business of bottled water proliferated in Philippine market. It is of common knowledge, however, that bottled water is widely consumed by the higher income groups. Rarely do we find the low-income citizens buying bottled water. The economically disadvantaged would rather bring their own water in a plastic container or buy ice water from sari-sari stores.

The instant bill provides for a regulatory framework under which the drinking water business shall operate by levying ten percent (10%) of excise tax from the manufacturer of bottled water and ensure that quality standards and manufacturing practices are instituted and enforced.

The proposal will generate additional revenue which will partially meet the current budgetary problems of the government.

Wherefore, the approval of this bill is highly recommended.


CATALINO V. FIGUEROA

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**AN ACT
IMPOSING A TAX ON THE MANUFACTURE OF BOTTLED WATER**

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

SECTION 1. Title – This Act shall be known as An Act Imposing A Tax On
The Manufacture Of Bottled Water.

SECTION 2. Definition of Terms – The following terms are provided under
this Act:

1. Bottled Water – refers to water that is intended for human consumption
and that is sealed in bottles or other containers with no added ingredients except
that it may optionally contain safe and suitable anti-microbial agents and may
optionally contain minerals such as, but not limited to fluorides, chlorides,
carbonates and sulfates including flavoring within limitations established by the
bottler's country. Bottled water maybe used as an ingredient in beverages such
as, but not limited to diluted juices and flavored bottled water.

2. Bottled Water Business – refers to the selling for profit, either
wholesale or retail, of bottled water. It includes any and all activities concerning
the procurement, promotion, advertising, production, processing and selling of
such product.

3. Water Refill Station Business - refers to the selling for profit either

wholesale or retail of water placed in refillable water containers or in consumer's containers in refilling stations.

SECTION 3. Owners, proprietors and operators of water refill stations and producers of bottled water shall be levied, assessed and collected ten percent (10%) of excise tax from the manufacture of bottled water.

SECTION 4. Coverage – This Act shall apply to all types of drinking water businesses that shall include both the Bottled Water and Water Refill Station businesses.

SECTION 5. The Department of Finance (DOF) through the Bureau of Internal Revenue (BIR) shall issue, within ninety (90) days after the approval of this Act, promulgate the necessary rules and regulations implementing for the effective implementation of this Act.

Approved,