

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Fifteenth Congress
Second Regular Session

House Bill No. 5294



Introduced by **HON. PRYDE HENRY A. TEVES, HON. GEORGE P. ARNAIZ**
AND HON. JOCELYN SY LIMKAICHONG

EXPLANATORY NOTE

There has been a marked increase in the use of high fructose corn syrup (HFCS) as an ingredient in non-essential processed foods that are sold in the country. A reading of labels of carbonated beverages and juices, ice creams and yogurts, cakes and cookies that are available in supermarkets show that HFCS is used as sweetener either solely or in combination with refined sugar. Although HFCS in processed food items has been around for decades, mostly in developed country markets like the United States, the Philippines is only now beginning to adopt its use.

In the interest of the consuming public, there is a need to regulate - through taxation - the use of HFCS due to the persistent concerns on its effect on health. HFCS consumption has been linked to obesity and increase in body weight. In a study published in the *American Journal of Clinical Nutrition*, it was indicated that "fructose does not stimulate insulin secretion or enhance leptin production. Because insulin and leptin act as key afferent signals in the regulation of food intake and body weight, this suggests that dietary fructose may contribute to increase energy intake and weight gain."¹ And even if it can be said there are scientific researches and studies which disagree with this finding, caution and concern for the general welfare compels this government to temper the use of HFCS until a more definitive conclusion is on hand.

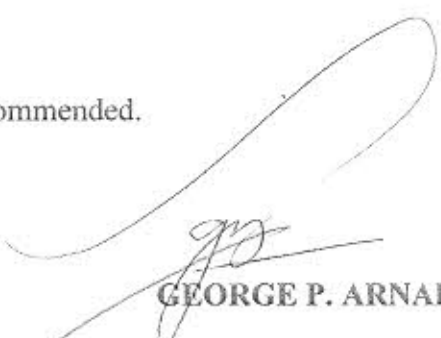
More than a police power measure, this proposed legislation is also a revenue measure. The 20% excise tax on HFCS will add to the national income and help finance social projects and programs across the country including those that promote health. Moreover, since HFCS is used primarily by multinational companies and big businesses in non-essential processed foods, the weight of the tax shall be minimal to the ordinary Filipino consumer

¹Bray George, Nielsen, Samara Joy, Popkin Barry. "Consumption of high-fructose corn syrup in beverages may play a role in the epidemic of obesity" *American Journal of Clinical Nutrition*, 2004;79:537-43.

Wherefore, the urgent approval of the bill is highly recommended.



PRYDE HENRY A. TEVES



GEORGE P. ARNAIZ



JOCELYN SY LIMKAICHONG

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Philippines

15th Congress
First Regular Session

House Bill No. 5294

**Introduced by HON. PRYDE HENRY A. TEVES, HON. GEORGE P. ARNAIZ AND
HON. JOCELYN S. LIMKAICHONG**

AN ACT IMPOSING A TWENTY PERCENT (20%) AD VALOREM TAX ON HIGH FRUCTOSE CORN SYRUP BY INSERTING A NEW SECTION IN, AND THEREBY AMENDING FOR THE PURPOSE, CHAPTER VI, TITLE VI OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

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

Section 1. Chapter VI, Title VI of the National Internal Revenue Code of 1997, as amended, is hereby amended by inserting a new Section 149-A to read as follows:

“Chapter VI- EXCISE TAX ON MISCELLANEOUS ARTICLES”

SEC. 149 Automobiles – x x x

SEC. 149-A. HIGH FRUCTOSE CORN SYRUP – THERE SHALL BE LEVIED, ASSESSED AND COLLECTED A TWENTY PERCENT (20%) AD VALOREM TAX ON ALL PRODUCED AND IMPORTED HIGH FRUCTOSE CORN SYRUP (HFCS), REGARDLESS OF CONCENTRATION, GRADE, TYPE OR VARIETY, BASED ON THE PRODUCER’S SELLING PRICE OR THE TOTAL VALUE OF IMPORTATION USED BY THE BUREAU OF CUSTOMS IN DETERMINING TARIFF AND CUSTOMS DUTY INCLUDING CUSTOMS DUTY AND ALL OTHER CHARGES, NET VALUE ADDED-TAX.”

Section 2. Implementing Rules and Regulations – Within six (6) months from the effectivity of this Act, the Secretary of Finance shall, upon recommendation of the Commissioner of Bureau of

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

Section 3. Effectivity – This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,