

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. **5845**



Introduced by HONORABLE SCOTT DAVIES S. LANETE, M.D.

EXPLANATORY NOTE

There are two broad types of trans fats found in foods: naturally-occurring and artificial *trans* fats. Naturally-occurring trans fats are produced in the gut of some animals and foods made from these animals (e.g., milk and meat products) may contain small quantities of these fats. Artificial *trans* fats (or *trans* fatty acids) are created in an industrial process that adds hydrogen to liquid vegetable oils to make them more solid.¹

Food containing artificial trans fats are part and parcel of an average Filipino meal. Filipinos have grown fond of cheap and affordable processed food containing artificial trans fats that the demand for them has led to more and more products entering the market competition.

It is not a secret that artificial trans fats, apart from the food preservation they bring, cause a lot of health risks. Artificial *trans* fats raise bad (LDL) cholesterol levels and lower good (HDL) cholesterol levels. Eating *trans* fats increases the risk of developing heart disease and stroke.² It's also associated with a higher risk of developing type 2 diabetes. These health risks have forced other countries to adopt policies to lessen public consumption of Food containing artificial trans fats.

The 1987 Philippine Constitution enjoins the state to protect and promote the right of health of the people and instill health consciousness among them. Thus, it is high time for the Philippines to adopt strict measures in ensuring the safety and well-being of Filipinos. Imposing a tax on the production, sale and consumption of food containing artificial trans fats will not only deter citizens from consuming more than the prescribed daily intake but will also generate additional funds for the government.

Therefore, the passage of this bill is urgently needed.



SCOTT DAVIES S. LANETE, M.D.
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¹ <https://healthyforgood.heart.org/Eat-smart/Articles/Trans-Fat>

² *Id.*

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**AN ACT AMENDING CERTAIN PROVISIONS OF REPUBLIC ACT NO. 8424,
OTHERWISE KNOWN AS THE "NATIONAL INTERNAL REVENUE CODE OF
1997" AND FOR OTHER PURPOSES**

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

Sec. 1. Section 1 of Republic Act No. 8424 is hereby amended as follows:

"SEC. 151. Mineral Products. -

(A) Rates of Tax. - There shall be levied, assessed and collected on minerals, mineral products and quarry resources, excise tax as follows:

(1) On coal and coke, a tax of Ten pesos (P10.00) per metric ton;

(2) On all nonmetallic minerals and quarry resources, a tax of two percent (2%) based on the actual market value of the gross output thereof at the time of removal, in the case of those locally extracted or produced; or the value used by the Bureau of Customs in determining tariff and customs duties, net of excise tax and value-added tax, in the case of importation.

Notwithstanding the provision of paragraph (4) of Subsection (A) of this Section, locally extracted natural gas and liquefied natural gas shall not be subject to the excise tax imposed herein.

(3) On all metallic minerals, a tax based on the actual market value of the gross output thereof at the time of removal, in the case of those locally extracted or produced; or the value used by the Bureau of Customs in determining tariff and customs duties, net of excise tax and value-added tax, in the case of importation, in accordance with the following schedule;

(a) Copper and other metallic minerals;

(i) On the first three (3) years upon the effectivity of Republic Act No. 7729, one percent (1%);

(ii) On the fourth and the fifth years, one and a half percent (1 1/2%); and

(iii) On the sixth year and thereafter, two percent (2%);

(b) Gold and chromite, two percent (2%).

(4) On indigenous petroleum, a tax of three percent (3%) of the fair international market price thereof, on the first taxable sale, barter, exchange or such similar transaction, such tax to be paid by the buyer or purchaser before removal from the place of production. The phrase 'first taxable sale, barter, exchange or similar transaction' means the transfer of indigenous petroleum in its original state to a first taxable transferee. The fair international market price shall be determined in consultation with an appropriate government agency;

For the purpose of this Subsection, 'indigenous petroleum' shall include locally-extracted mineral oil, hydrocarbon gas, bitumen, crude asphalt, mineral gas and all other similar or naturally associated substances with the exception of coal, peat, bituminous shale and/or stratified mineral deposits.

(5) On canned or packed products, a tax of Five pesos (P5.00) shall be levied on every edible product containing artificial trans-fat as the case may be.

Sec. 2. The Department of Finance in coordination with other government agencies concerned, shall promulgate not later than thirty (30) days from the effectivity of this Act, the necessary rules and regulations for the effective implementation of this Act.

Sec. 3. If any part or provision of this Act shall be held unconstitutional or invalid, other provisions which are not affected thereby shall continue to be in full force and effect.

Sec. 4. All laws, issuances or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

Sec. 5. This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved.