



Republic of the Philippines  
**House of Representatives**  
Quezon City  
**EIGHTEENTH CONGRESS**  
First Regular Session

HOUSE BILL NO. **3357**

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**INTRODUCED BY REPRESENTATIVE ANN K. HOFER**

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**EXPLANATORY NOTE**

Republic Act (RA) 10351 or the Sin Tax Reform was signed into law in December 2012. The law is a good governance measure with positive impact on both fiscal and public health. RA 10351 corrected the long-standing weaknesses of the tobacco and alcohol excise tax system and increased the rates to reduce the demand for these products. The Sin Tax Law also raised much needed revenues to fund the Universal Health Care (UHC) program of the government.

The Sin Tax Law has been an unqualified success in its health and revenue objectives. Since its implementation in 2013, the government collected P427.6 billion pesos in incremental revenues (CY 2013-2018), of which P132.8 billion or 31.1 percent is from alcohol. This has increased the budget of the Department of Health (DOH) as the incremental revenues derived from RA 10351 were largely earmarked for UHC. The DOH budget more than tripled from P53.2 billion in 2013 to P166.7 billion in 2018 or a growth of 213.2 percent. A large amount of the incremental revenues earmarked for health is allocated for expanded health services and premium subsidies for the health insurance of indigents and senior citizens not covered by the National Health Insurance Program. As a result, Philippine Health Insurance Corporation (PhilHealth) almost tripled the coverage of the poor and the near poor from 5.2 million in 2013 to 15.7 million indigents by the end of 2018.

However, with the passage of RA 11223 or the UHC Law, funding requirement increased substantially. The estimated funding for its first year of implementation alone costs P257 billion, and a total of P1.4 trillion from 2020 to 2024. The implementation of the UHC Law will be funded by the sin tax earmarked funds through the regular annual budget of the DOH and PhilHealth, Philippine Gaming Corporation (PAGCOR), Philippine Charity Sweepstakes Office (PCSO), and PhilHealth premium contributions. Of the P257 billion funding requirement for 2020, only P195 billion will be funded by these sources, incurring a funding gap of P62 billion.

In order to reduce this funding gap, Congress approved a bill increasing excise tax on tobacco products, and imposed new taxes on heated tobacco products (HTPs) and vapor products. The estimated revenue generated under the Congress-approved bill is P15.7 billion in 2020, and a total of P129.9 billion from 2020 to 2024. However, this amount is not enough to close the funding gap of the UHC Law.

This bill seeks to increase the tax on alcohol products to provide additional funding source for the UHC Law in order to further reduce the funding gap. This additional funding will help sustain PhilHealth coverage for all Filipino families; improve accessibility, affordability, and quality of health care; and provide better outpatient benefit package, including check-up or consultation and medicines.

An equally important objective of the bill is to discourage excessive consumption of alcohol products especially among the youth. Excessive alcohol drinking leads to diseases like cirrhosis or liver damage and pancreatitis, among others. Moreover, alcohol drinking leads to behaviors like drunk driving and domestic violence. According to Online National Electronic Injury Surveillance System of the DOH, there were 3,213 vehicular accidents due to alcohol intoxication or 5.9 percent of the 54,177 transport or vehicular crash-related injury cases in 2018. This has more than doubled from 1,376 alcohol-related accidents in 2013. This reform seeks to bring us close to the DOH target of 10.0 percent reduction in harmful alcohol consumption.

Imposing higher excise taxes is still the most effective policy tool to affect prices to discourage consumption of sin products, in particular, among the youth and the poor who are the most sensitive to price changes.

In light of the foregoing, the passage of this bill is earnestly sought.



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**HOUSE OF REPRESENTATIVES**  
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**Introduced by REP. ANN K. HOFER**

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**AN ACT**  
**AMENDING SECTIONS 141, 142 and 143 OF REPUBLIC ACT NO. 8424, AS**  
**AMENDED, OTHERWISE KNOWN AS "THE NATIONAL INTERNAL REVENUE**  
**CODE OF 1997**

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

**SECTION 1.** Title VI, Chapter III, Excise Tax on Alcohol Products, of the National Internal Revenue Code of 1997 (NIRC), as amended, is hereby amended, which shall read as follows:

**CHAPTER III – EXCISE TAX ON ALCOHOL PRODUCTS**

**SEC. 141. *Distilled Spirits.*** – On distilled spirits, subject to the provisions of Section 133 of this Code, an excise tax shall be levied, assessed and collected based on the following schedules:

[(a) Effective on January 1, 2013

(1) An *ad valorem* tax equivalent to fifteen percent (15%) of the net retail price (excluding the excise tax and the value-added tax) per proof; and

(2) In addition to the *ad valorem* tax herein imposed, a specific tax of Twenty pesos (P20.00) per proof liter.]

[(b) Effective on January 1, 2015

(1) An *ad valorem* tax equivalent to twenty percent (20%) of the net retail price (excluding the excise tax and the value-added tax) per proof; and

(2) In addition to the *ad valorem* tax herein imposed, a specific tax rate of Twenty pesos (P20.00) per proof liter.]

[(c) In addition to the *ad valorem* tax herein imposed, the specific tax rate of Twenty pesos (P20.00) per proof liter imposed under this Section shall be increased by four percent (4%) every year thereafter effective on January 1, 2016, through revenue regulations issued by the Secretary of Finance.]

**(A) EFFECTIVE ON JANUARY 1, 2020**

**(1) AN AD VALOREM TAX EQUIVALENT TO TWENTY-TWO PERCENT (22%) OF THE NET RETAIL PRICE (EXCLUDING THE EXCISE TAX AND THE VALUE-ADDED TAX) PER PROOF; AND**

**(2) IN ADDITION TO THE AD VALOREM TAX HEREIN IMPOSED, A SPECIFIC TAX OF THIRTY-FIVE PESOS (P35.00) PER PROOF LITER.**

**(B) EFFECTIVE ON JANUARY 1, 2021**

**(1) AN AD VALOREM TAX EQUIVALENT TO TWENTY-TWO PERCENT (22%) OF THE NET RETAIL PRICE (EXCLUDING THE EXCISE TAX AND THE VALUE-ADDED TAX) PER PROOF; AND**

**(2) IN ADDITION TO THE AD VALOREM TAX HEREIN IMPOSED, A SPECIFIC TAX OF FORTY (P40.00) PER PROOF LITER.**

**(C) EFFECTIVE ON JANUARY 1, 2022**

**(1) AN AD VALOREM TAX EQUIVALENT TO TWENTY-TWO PERCENT (22%) OF THE NET RETAIL PRICE (EXCLUDING THE EXCISE TAX AND THE VALUE-ADDED TAX) PER PROOF; AND**

**(2) IN ADDITION TO THE AD VALOREM TAX HEREIN IMPOSED, A SPECIFIC TAX OF FORTY-FIVE PESOS (P45.00) PER PROOF LITER.**

**(D) IN ADDITION TO THE AD VALOREM TAX HEREIN IMPOSED, THE SPECIFIC TAX IMPOSED UNDER THIS SECTION SHALL BE INCREASED BY SEVEN PERCENT (7%) EVERY YEAR THEREAFTER EFFECTIVE ON JANUARY 1, 2023, THROUGH REVENUE REGULATIONS ISSUED BY THE SECRETARY OF FINANCE.**

Medicinal preparations, flavoring extracts, and all other preparations, except toilet preparations, of which, excluding water, distilled spirits from the chief ingredient, shall be subject to the same tax as such chief ingredient.

This tax shall be proportionally increased for any strength of the spirits taxed over proof spirits, and the tax shall attach to this substance as soon as it is in existence as such, whether it be subsequently separated as pure or impure spirits, or transformed into any other substance either in the process of original production or by any subsequent process.

‘Spirits or distilled spirits’ is the substance known as ethyl alcohol, ethanol or spirits of wine, including all dilutions, purifications and mixtures thereof, from whatever source, by whatever process produced, and shall include whisky, brandy, rum, gin and vodka, and other similar products or mixtures.

‘Proof spirits’ is liquor containing one-half (1/2) of its volume of alcohol of a specific gravity of seven thousand nine hundred and thirty-nine ten thousandths (0.7939) at fifteen degrees centigrade (15C). A ‘proof liter’ means a liter of proof spirits.

‘Net retail price’ shall mean the price at which the distilled spirits is sold on retail in at least five (5) major supermarkets in Metro Manila, excluding the amount intended to cover the applicable excise tax and the value-added tax. For distilled spirits which are marketed outside Metro Manila, the ‘net retail price’ shall mean the price at which the distilled spirits is sold in at least five (5) major supermarkets in the region excluding the amount intended to cover the applicable excise tax and the value-added tax. **THIS SHALL INITIALLY BE PROVIDED BY THE MANUFACTURER THROUGH A SWORN STATEMENT AND SHALL BE VALIDATED BY THE BUREAU OF INTERNAL REVENUE THROUGH A PRICE SURVEY.**

Major supermarkets, as contemplated under this Act, shall be those with the highest annual gross sales in Metro Manila or the region, as the case may be, as determined by the [National Statistics Office] **BUREAU OF INTERNAL REVENUE**, and shall exclude retail outlets or kiosks, convenience or sari-sari stores, and others of a similar nature: *Provided*, That no two (2) supermarkets in the list to be surveyed are affiliated and/or branches of each other: *Provided, finally*, That in case a particular distilled spirit is not sold in major supermarkets, the price survey can be conducted in retail outlets where said distilled spirit is sold in Metro Manila or the region, as the case may be, upon the determination of the Commissioner of Internal Revenue.

The net retail price shall be determined by the Bureau of Internal Revenue through a **BIANNUAL** price survey under oath.

The methodology and all pertinent documents used in the conduct of the latest price survey shall be submitted to the Congressional Oversight Committee on the Comprehensive Tax Reform Program (COCCTRP) created under Republic Act No. 8240.

Understatement of the suggested net retail price by as much as fifteen percent (15%) of the actual net retail price shall render the manufacturer or importer liable for additional excise tax equivalent to the tax due and difference between the understated suggested net retail price and the actual net retail price.

Distilled spirits introduced in the domestic market after the effectivity of this Act shall be initially taxed according to their suggested net retail prices.

‘Suggested net retail price’ shall mean the price (excluding the value-added tax and the excise tax) at which locally manufactured or imported distilled spirits are intended by the manufacturer or importer to be sold on retail in major supermarkets or retail outlets in Metro Manila for those marketed nationwide, and in other regions, for those with regional markets. At the end of three (3) months from the product launch, the Bureau of Internal Revenue shall validate the suggested net retail price of the new brand against the net retail price as defined herein and initially determine the correct tax on a newly introduced distilled spirits. After the end of nine (9) months from such validation, the Bureau of Internal Revenue shall revalidate the initially validated net retail price against the net retail price as of the time of revalidation in order to finally determine the correct tax on a newly introduced distilled spirits.

[All distilled spirits existing in the market at the time of the effectivity of this Act shall be taxed according to the tax rates provided above based on the latest price survey of the distilled spirits conducted by the Bureau of Internal Revenue.]

The methodology and all pertinent documents used in the conduct of the latest price survey shall be submitted to the Congressional Oversight Committee on the Comprehensive Tax Reform Program created under Republic Act No. 8240.

Manufacturers and importers of distilled spirits shall, within thirty (30) days from the effectivity of this Act, and within the first five (5) days of every third month thereafter, submit to the Commissioner a sworn statement of the volume of sales **AND REMOVALS** for each particular brand of distilled spirits sold at his establishment for the three-month period immediately preceding.

Any manufacturer or importer who, in violation of this Section, misdeclares or misrepresents in his or its sworn statement herein required any pertinent data or information shall, upon final findings by the Commissioner that the violation was committed, be penalized by a summary cancellation or withdrawal of his or its permit to engage in business as manufacturer or importer of distilled spirits.

Any corporation, association or partnership liable for any of the acts or omissions in violation of this Section shall be fined treble the amount of deficiency taxes, surcharges and interest which may be assessed pursuant to this Section.

Any person liable for any of the acts or omissions prohibited under this Section shall be criminally liable and penalized under Section 254 of this Code. Any person who willfully aids or abets in the commission of any such act or omission shall be criminally liable in the same manner as the principal.

If the offender is not a citizen of the Philippines, he shall be deported immediately after serving the sentence, without further proceedings for deportation.

SEC. 142. *Wines*. – On wines, there shall be collected [per liter of volume capacity] effective on [January 1, 2013] **JANUARY 1, 2020**, the following excise taxes:

(a) Sparkling wines [/champagnes] regardless of proof [, if the net retail price per bottle of seven hundred fifty milliliter (750 ml.) volume capacity (excluding the excise tax and value-added tax) is]:

[ (1) Five hundred pesos (P500.00) or less – Two hundred fifty pesos (P250.00); and

(2) More than Five hundred pesos (P500.00) – [Seven hundred pesos (P700.00).]

(1) **AN AD VALOREM TAX EQUIVALENT TO FIFTEEN PERCENT (15%) OF THE NET RETAIL PRICE (EXCLUDING THE EXCISE TAX AND THE VALUE-ADDED TAX) PER LITER; AND**

(2) **IN ADDITION TO THE AD VALOREM TAX HEREIN IMPOSED, A SPECIFIC TAX OF SIX HUNDRED NINETY-SIX PESOS (P696.00) PER LITER.**

**THE SPECIFIC TAX IMPOSED HEREIN SHALL BE INCREASED BY SEVEN PERCENT (7%) EVERY YEAR THEREAFTER, EFFECTIVE ON JANUARY 1, 2021, THROUGH REVENUE REGULATIONS TO BE ISSUED BY THE SECRETARY OF FINANCE.**

(b) Still wines and carbonated wines containing **NOT MORE THAN** fourteen percent (14%) of alcohol by volume [or less,] [Thirty pesos (P30.00)] **FORTY-THREE PESOS (P43.00) PER LITER; and**

(c) Still wines and carbonated wines containing more than fourteen percent (14%) [but not more than twenty-five percent (25%)] of alcohol by volume, [Sixty pesos (P60.00)] **EIGHTY-SIX PESOS (P86.00) PER LITER.**

The rates of tax imposed under this Section shall be increased by [four percent (4%)] **SEVEN PERCENT (7%)** every year thereafter effective on [January 1, 2014] **JANUARY 1, 2021**, through revenue regulations **TO BE** issued by the Secretary of Finance.

**PROVIDED, THAT THE COOKING WINES CONTAINING A SALT CONTENT OF NOT LESS THAN 1.5 G/100 ML SHALL NOT BE SUBJECT TO THE TAX IMPOSED HEREIN.**

[Fortified wines containing more than twenty-five percent (25%) of alcohol by volume shall be taxed as distilled spirits. 'Fortified wines' shall mean natural wines to which distilled spirits are added to increase their alcohol strength.]

'Net retail price' shall mean the price at which sparkling wine/champagne is sold on retail in at least five (5) major supermarkets in Metro Manila, excluding the amount intended to cover the applicable excise tax and the value-added tax. For sparkling wines/champagnes which are marketed outside Metro Manila, the 'net retail price' shall mean the price at which the wine is sold in at least five (5) major supermarkets in the region excluding the amount intended to cover the applicable excise tax and the value-added tax. **THIS SHALL INITIALLY BE PROVIDED BY THE MANUFACTURER THROUGH A SWORN STATEMENT AND SHALL BE VALIDATED BY THE BUREAU OF INTERNAL REVENUE THROUGH A PRICE SURVEY.**

Major supermarkets, as contemplated under this Act, shall be those with the highest annual gross sales in Metro Manila or the region, as the case may be, as determined by the [National Statistics Office] **BUREAU OF INTERNAL REVENUE**, and shall exclude retail outlets or kiosks, convenience or sari-sari stores, and others of a similar nature: *Provided*, That no two (2) supermarkets in the list to be surveyed are affiliated and/or branches of each other: *Provided, finally*, That in case a particular sparkling wine [/champagne] is not sold in major supermarkets, the price survey can be conducted in retail outlets where said sparkling wine [/champagne] is sold in Metro Manila or the region, as the case may be, upon the determination of the Commissioner of Internal Revenue.

The net retail price shall be determined by the Bureau of Internal Revenue through a **BIANNUAL** price survey under oath.

The methodology and all pertinent documents used in the conduct of the latest price survey shall be submitted to the Congressional Oversight Committee on the Comprehensive Tax Reform Program created under Republic Act No. 8240.

Understatement of the suggested net retail price by as much as fifteen percent (15%) of the actual net retail price shall render the manufacturer or importer liable for additional excise tax equivalent to the tax due and difference between the understated suggested net retail price and the actual net retail price.

Sparkling wines [/champagnes] introduced in the domestic market after the effectivity of this Act shall be initially tax classified according to their suggested net retail prices.

‘Suggested net retail price’ shall mean the price (excluding VAT and excise tax) at which locally manufactured or imported sparkling wines [/champagnes] are intended by the manufacturer or importer to be sold on retail in major supermarkets or retail outlets in Metro Manila for those marketed nationwide, and in other regions, for those with regional markets. At the end of three (3) months from the product launch, the Bureau of Internal Revenue shall validate the suggested net retail price of the sparkling wine [/champagne] against the net retail price as defined herein and initially determine the correct tax bracket to which a newly introduced sparkling wine [/champagne] shall be classified. After the end of nine (9) months from such validation, the Bureau of Internal Revenue shall revalidate the initially validated net retail price against the net retail price as of the time of revalidation in order to finally determine the correct tax bracket to which a newly introduced sparkling wine [/champagne] shall be classified.

The proper tax classification of sparkling wines [/champagnes], whether registered before or after the effectivity of this Act, shall be determined every two (2) years from the date of effectivity of this Act.

[All sparkling wines/champagnes existing in the market at the time of the effectivity of this Act shall be taxed according to the net retail prices and the tax rates provided above based on the latest price survey of the sparkling wines/champagnes conducted by the Bureau of Internal Revenue.]

The methodology and all pertinent documents used in the conduct of the latest price survey shall be submitted to the Congressional Oversight Committee on the Comprehensive Tax Reform Program created under Republic Act No. 8240.

Manufacturers and importers of wines shall, within thirty (30) days from the effectivity of this Act, and within the first five (5) days of every month thereafter, submit to the Commissioner a sworn statement of the volume of sales **AND REMOVALS** for each particular brand of wine[s] sold at [his] **THEIR** establishments for the three-month period immediately preceding.

Any manufacturer or importer who, in violation of this Section, misdeclares or misrepresents in his or its sworn statement herein required any pertinent data or information shall, upon final findings by the Commissioner that the violation was committed be penalized by a summary cancellation or withdrawal of his or its permit to engage in business as manufacturer or importer of wines.

Any corporation, association or partnership liable for any of the acts or omissions in violation of this Section shall be fined treble the amount of deficiency taxes, surcharges and interest which may be assessed pursuant to this Section.

Any person liable for any of the acts or omissions prohibited under this Section shall be criminally liable and penalized under Section 254 of this Code. Any person who willfully aids or abets in the commission of any such act or omission shall be criminally liable in the same manner as the principal.

If the offender is not a citizen of the Philippines, he shall be deported immediately after serving the sentence, without further proceedings for deportation.

SEC. 143. *Fermented Liquor.* – There shall be levied, assessed and collected an excise tax on beer, lager beer, ale, porter and other fermented liquors except *tuba*, *basi*, *tapuy* and similar domestic fermented liquors in accordance with the following schedule:

[Effective on January 1, 2013]

(a) If the net retail price (excluding the excise tax and the value-added tax) per liter of volume capacity is Fifty pesos and sixty centavos (P50.60) or less, the tax shall be Fifteen pesos (P15.00) per liter; and]

[(b) If the net retail price (excluding the excise tax and the value-added tax) per liter of volume capacity is more than Fifty pesos and sixty centavos (P50.60), the tax shall be Twenty pesos (P20.00) per liter.]

[Effective on January 1, 2014

(a) If the net retail price (excluding the excise tax and the value-added tax) per liter of volume capacity is Fifty pesos and sixty centavos (P50.60) or less, the tax shall be Seventeen pesos (P17.00) per liter; and]

[ (b) If the net retail price (excluding the excise tax and the value-added tax) per liter of volume capacity is more than Fifty pesos and sixty centavos (P50.60), the tax shall be Twenty-one pesos (P21.00) per liter.]

[Effective on January 1, 2015

(a) If the net retail price (excluding the excise tax and the value-added tax) per liter of volume capacity is Fifty pesos and sixty centavos (P50.60) or less, the tax shall be Nineteen pesos (P19.00) per liter; and]

[(b) If the net retail price (excluding the excise tax and the value-added tax) per liter of volume capacity is more than Fifty pesos and sixty centavos (P50.60), the tax shall be Twenty-two pesos (P22.00) per liter.]

[Effective on January 1, 2016

(a) If the net retail price (excluding the excise tax and the value-added tax) per liter of volume capacity is Fifty pesos and sixty centavos (P50.60) or less, the tax shall be Twenty-one pesos (P21.00) per liter; and]

[ (b) If the net retail price (excluding the excise tax and the value-added tax) per liter of volume capacity is more than Fifty pesos and sixty centavos (P50.60), the tax shall be Twenty-three pesos (P23.00) per liter.]

[Effective on January 1, 2017, the tax on all fermented liquors shall be Twenty-three pesos and fifty centavos (P23.50) per liter.]

**EFFECTIVE ON JANUARY 1, 2020, THE TAX ON ALL FERMENTED LIQUORS SHALL BE THIRTY-TWO PESOS (P32.00) PER LITER.**

**EFFECTIVE ON JANUARY 1, 2021, THE TAX ON ALL FERMENTED LIQUORS SHALL BE THIRTY-FOUR PESOS (P34.00) PER LITER.**

**EFFECTIVE ON JANUARY 1, 2022, THE TAX ON ALL FERMENTED LIQUORS SHALL BE THIRTY-SIX PESOS (P36.00) PER LITER.**

**THE SPECIFIC TAX RATES IMPOSED HEREIN SHALL BE APPLIED TO ALL FERMENTED LIQUORS REGARDLESS IF MANUFACTURED IN FACTORIES OR SOLD AND BREWED AT MICRO-BREWERIES OR SMALL ESTABLISHMENTS SUCH AS PUBS AND RESTAURANTS.**

The rates of tax imposed under this Section shall be increased by [four percent (4%)] **SEVEN PERCENT (7%)** every year thereafter effective on January 1, [2018] **2023**, through revenue regulations issued by the Secretary of Finance. [However, in case of fermented liquors affected by the

'no downward reclassification' provision prescribed under this Section, the four percent (4%) increase shall apply to their respective applicable tax rates.]

[Fermented liquors introduced in the domestic market after the effectivity of this Act shall be initially tax classified according to their suggested net retail prices.]

['Suggested net retail price' shall mean the net retail price at which locally manufactured or imported fermented liquor are intended by the manufacturer or importer to be sold on retail in major supermarkets or retail outlets in Metro Manila for those marketed nationwide, and in other regions, for those with regional markets. At the end of three (3) months from the product launch, the Bureau of Internal Revenue shall validate the suggested net retail price of the newly introduced fermented liquor against the net retail price as defined herein and initially determine the correct tax bracket to which a newly introduced fermented liquor, as defined above, shall be classified. After the end of nine (9) months from such validation, the Bureau of Internal Revenue shall revalidate the initially validated net retail price against the net retail price as of the time of revalidation in order to finally determine the correct tax bracket to which a newly introduced fermented liquor shall be classified.]

['Net retail price' shall mean the price at which the fermented liquor is sold on retail in at least five (5) major supermarkets in Metro Manila (for brands of fermented liquor marketed nationally), excluding the amount intended to cover the applicable excise tax and the value-added tax. For brands which are marketed outside Metro Manila, the 'net retail price' shall mean the price at which the fermented liquor is sold in at least five (5) major supermarkets in the region excluding the amount intended to cover the applicable excise tax and the value-added tax.]

[Major supermarkets, as contemplated under this Act, shall be those with the highest annual gross sales in Metro Manila or the region, as the case may be, as determined by the National Statistics Office, and shall exclude retail outlets or kiosks, convenience or sari-sari stores, and others of a similar nature: *Provided*, That no two (2) supermarkets in the list to be surveyed are affiliated and/or branches of each other: *Provided, finally*, That in case a particular fermented liquor is not sold in major supermarkets, the price survey can be conducted in retail outlets where said fermented liquor is sold in Metro Manila or the region, as the case may be, upon the determination of the Commissioner of Internal Revenue.]

[The net retail price shall be determined by the Bureau of Internal Revenue (BIR) through a price survey under oath.]

[The methodology and all pertinent documents used in the conduct of the latest price survey shall be submitted to the Congressional Oversight Committee on the Comprehensive Tax Reform Program created under Republic Act No. 8240.]

[Understatement of the suggested net retail price by as much as fifteen percent (15%) of the actual net retail price shall render the manufacturer or importer liable for additional excise tax equivalent to the tax due and difference between the understated suggested net retail price and the actual net retail price.]

[Any downward reclassification of present categories, for tax purposes, of fermented liquors duly registered at the time of the effectivity of this Act which will reduce the tax imposed herein, or the payment thereof, shall be prohibited.]

[The proper tax classification of fermented liquors, whether registered before or after the effectivity of this Act, shall be determined every two (2) years from the date of the effectivity of this Act.]

[All fermented liquors existing in the market at the time of the effectivity of this Act shall be classified according to the net retail prices and the tax rates provided above based on the latest price survey of the fermented liquors conducted by the Bureau of Internal Revenue.]

[The methodology and all pertinent documents used in the conduct of the latest price survey shall be submitted to the Congressional Oversight Committee on the Comprehensive Tax Reform Program created under Republic Act No. 8240.]

Every brewer or importer of fermented liquor shall, within thirty (30) days from the effectivity of this Act, and within the first five (5) days of every month thereafter, submit to the Commissioner a sworn statement of the volume of sales **AND REMOVALS** for each particular brand of fermented liquor sold at his establishment for the three-month period immediately preceding.

Any brewer or importer who, in violation of this Section, misdeclares or misrepresents in his or its sworn statement herein required any pertinent data or information shall, upon final findings by the Commissioner that the violation was committed, be penalized by a summary cancellation or withdrawal of his or its permit to engage in business as brewer or importer of fermented liquor.

Any corporation, association or partnership liable for any of the acts or omissions in violation of this Section shall be fined treble the amount of deficiency taxes, surcharges and interest which may be assessed pursuant to this Section.

Any person liable for any of the acts or omissions prohibited under this Section shall be criminally liable and penalized under Section 254 of this Code. Any person who willfully aids or abets in the commission of any such act or omission shall be criminally liable in the same manner as the principal.

If the offender is not a citizen of the Philippines, he shall be deported immediately after serving the sentence, without further proceedings for deportation.

**SEC. 2. *Implementing Rules and Regulations.*** – The Secretary of Finance shall, upon the recommendation of the Commissioner of Internal Revenue, promulgate the necessary rules and regulations for the effective implementation of this Act.

**SEC. 3. *Separability Clause.*** If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

**SEC. 4. *Repealing Clause.*** – All laws, decrees, executive orders, rules and regulations or parts thereof which are contrary to or inconsistent with this Act are hereby repealed, amended or modified accordingly.

**SEC. 5. *Effectivity Clause.*** – This Act shall take effect on January 1, 2020 after its complete publication either in the Official Gazette or in a newspaper of general circulation.

*Approved,*