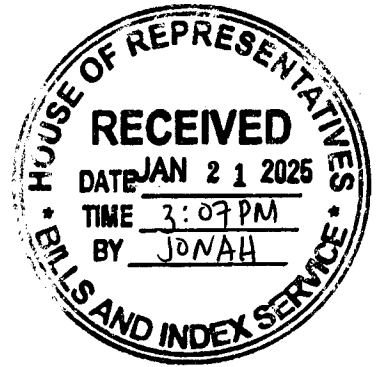


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 11320



Introduced by Rep. Ray T. Reyes

EXPLANATORY NOTE

The World Health Organization (WHO) recognizes alcohol use as one of the leading causes of death and disease globally. In 2019, around 2.4 million deaths worldwide were caused by alcohol use. Of those, deaths, nearly 40,000 were Filipinos.

In the Philippines, 47.1% of adults are current alcohol drinkers, according to the DOST-FNRI National Nutrition Survey. 51.4% of adolescent alcohol users and 54.7% of adult alcohol users binge drink, a figure which has remained stagnant over the past decade. Other undesirable consequences of alcohol use include non-communicable diseases, domestic violence, road traffic crashes, and mental illnesses. Taken altogether, the burden of alcohol consumption adds up to billions of pesos in direct and indirect costs such as lost productivity from sickness and premature deaths.

Global evidence shows that alcohol taxes are the most effective measure to reduce alcohol consumption. Raising prices through higher taxes help delay the initiation of alcohol use among the youth and reduces heavy episodic drinking.

The proposal for an across-the-board increase in alcohol taxes is expected to generate at least ₱106.3 billion in incremental revenue over the next five years.

Increasing taxes on alcoholic beverages is a win-win for Filipinos – to reduce the burden of the harmful use of alcohol and to address other health, safety, and socioeconomic issues.

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


RAY REYES
Representative, Anakalusugan Party-List

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NINETEENTH CONGRESS
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HOUSE BILL NO. 11320

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AN ACT
INCREASING THE EXCISE TAX ON ALCOHOLIC BEVERAGES, AMENDING
FOR THIS PURPOSE SECTIONS 141 AND 143 OF THE NATIONAL INTERNAL
REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES

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

SECTION 1. Section 141 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

“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 January 1, 2026

- (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 Eighty-one pesos (₱81.00) per proof liter.

(B) Effective January 1, 2027

- (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 Ninety-six pesos (₱96.00) per proof liter.

(C) Effective January 1, 2028

- (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 One hundred and eleven pesos (₱111.00) per proof liter.

(D) Effective January 1, 2029

(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, the specific tax of One hundred and twenty-six pesos (₱126.00) per proof liter.

(E) In addition to the *ad valorem* tax herein imposed, the specific tax imposed under this Section shall be increased by six percent (6%) every year thereafter, effective January 1, 2030, through revenue regulations to be issued by the Secretary of Finance.

“xxx

SECTION 2. Section 143 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

“SEC. 143. **PRE-MIXED ALCOHOLIC BEVERAGES AND *Fermented Liquors***. – There shall be levied, assessed and collected an excise tax on **PRE-MIXED ALCOHOLIC BEVERAGES**, beer, lager beer, ale, porter and other fermented liquors regardless if manufactured in factories or sold and brewed at micro-breweries or small establishments such as pubs and restaurants, except *tuba*, *basi*, *tapuy* and similar fermented liquors in accordance with the following schedule:

“Effective on January 1, 2026 the tax shall be Fifty-two pesos (₱52.00) per liter.

“Effective on January 1, 2027, the tax shall be Fifty-six pesos (₱56.00) per liter.

“Effective on January 1, 2028, the tax shall be Sixty pesos (₱60.00) per liter.

“Effective on January 1, 2029, the tax shall be Sixty-four pesos (₱64.00) per liter.

“The rates of tax imposed under this Section shall be increased by six percent (6%) every year thereafter effective January 1, 2029, through revenue regulations issued by the Secretary of Finance.

“**PRE-MIXED ALCOHOLIC BEVERAGES, SUCH AS BUT NOT LIMITED TO, “ALCOPOPS”, “ALCOMIXES”, “COOLERS”, “SPIRIT COOLERS”, “WINE COOLERS”, “CRUISERS”, AND “BREEZERS” SHALL MEAN**

FLAVORED BEVERAGES SOLD AS BEING READY TO CONSUME, WITH AN ALCOHOL CONTENT OF NOT MORE THAN TEN PERCENT (10%) AND MADE BY COMBINING AN ALCOHOLIC PRODUCT SUCH AS FERMENTED LIQUOR, DISTILLED SPIRIT, WINE, OR OTHER ALCOHOLIC BEVERAGE WITH NON-ALCOHOLIC INGREDIENTS, SUCH AS BUT NOT LIMITED TO, FRUIT JUICE, CREAM, CARBONATED WATER, AND SYRUP. PRE-MIXED ALCOHOLIC BEVERAGES SHALL BE TAXED AS FERMENTED LIQUOR.

"Every brewer, manufacturer, or importer of PRE-MIXED ALCOHOLIC BEVERAGES OR 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 PRE-MIXED ALCOHOLIC BEVERAGES OR fermented liquor sold at his establishment for the three-month period immediately preceding.

"Any brewer, 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 brewer, manufacturer or importer of PRE-MIXED ALCOHOLIC BEVERAGES OR fermented liquor.

"xxx

SECTION 3. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the Department of Finance and the Department of Health shall issue the rules and regulations for the effective implementation of this Act.

SECTION 4. *Separability Clause.* – If, for any reason, any provisions of this Act are declared to be unconstitutional or invalid, the other sections or provisions thereof which are not affected thereby shall continue to be in full force and effect.

SECTION 5. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulations, and other issuances or parts thereof which are inconsistent with this Act are hereby repealed, amended or modified accordingly.

SECTION 6. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,