

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City
Twentieth Congress
First Regular Session

House Bill No. 5478



Introduced by Representative Loreto S. Amante

**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**

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 attributed to alcohol use. Of those deaths, nearly 40,000 were Filipinos.

According to the 2023 National Nutrition Survey by the DOST-FNRI, 60.3% of adults in the Philippines are current alcohol drinkers. Among alcohol users, 51.8% of adolescents and 58.7% of adults engage in binge drinking—figures that have remained stagnant over the past decade.

Undesirable consequences of alcohol use include non-communicable diseases, domestic violence, road traffic crashes, and mental illnesses. Taken together, the burden of alcohol consumption results in billions of pesos in both direct costs and indirect costs, such as lost productivity due to sickness and premature death.

Global evidence shows that alcohol taxes are the most effective measure to reduce alcohol consumption. Raising prices through higher taxes helps delay the initiation of alcohol use among the youth and reduces heavy episodic drinking. Increasing taxes on alcohol in the Philippines will also generate additional revenue for Universal Health Care.

This proposal for an across-the-board increase in alcohol taxes is expected to generate at least Php 300 billion in incremental revenue over the next six (6) years. Increasing taxes on alcoholic beverages is a win-win for Filipinos—reducing the burden of harmful alcohol use while addressing other health, safety, and socioeconomic issues.

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

A handwritten signature in black ink, appearing to be "Loreto S. Amante", written in a cursive style.

LORETO S. AMANTE
Representative
3rd District, Laguna

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AN ACT
INCREASING THE EXCISE TAX ON ALCOHOLIC BEVERAGES, AMENDING FOR
THIS PURPOSE SECTIONS 141, 142, 143, AND 8 OF REPUBLIC ACT NO. 8424 OR
THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR
OTHER PURPOSES

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

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

3
4 “*SEC. 141. Distilled Spirits.* - On distilled spirits, subject to the provisions of
5 Section 133 of this Code, an excise tax shall be levied, assessed, and collected based
6 on the following schedules:

7
8 “(A) Effective January 1, ~~[2020]~~ 2026

9 “(1) An *ad valorem* tax equivalent to twenty-two percent (22%) of the net
10 retail price (excluding the excise tax and the value-added tax) per proof; and

11 “(2) In addition to the *ad valorem* tax herein imposed, a specific tax of ~~[Forty-~~
12 ~~two pesos (P42.00)]~~ **EIGHTY-EIGHT PESOS (P88.00)** per proof liter.

13
14 “(B) Effective January 1, ~~[2021]~~ 2027

15 “(1) An *ad valorem* tax equivalent to twenty-two percent (22%) of the net
16 retail price (excluding the excise tax and the value-added tax) per proof; and

17 “(2) In addition to the *ad valorem* tax herein imposed, a specific tax of
18 ~~[Forty-seven pesos (P47.00)]~~ **ONE HUNDRED NINE PESOS (P109.00)** per proof
19 liter.

20
21 “(C) Effective January 1, ~~[2022]~~ 2028

22 “(1) An *ad valorem* tax equivalent to twenty-two percent (22%) of the net
23 retail price (excluding the excise tax and the value-added tax) per proof; and

24 “(2) In addition to the *ad valorem* tax herein imposed, a specific tax of ~~[Fifty-~~
25 ~~two pesos (P52.00)]~~ **ONE HUNDRED THIRTY-SEVEN PESOS (P137.00)** per
26 proof liter.

27
28 “(D) Effective January 1, ~~[2023]~~ 2029

1 “(1) An ad valorem tax equivalent to twenty-two percent (22%) of the net
2 retail price (excluding the excise tax and the value-added tax) per proof; and

3 “(2) In addition to the *ad valorem* tax herein imposed, a specific tax of [~~Fifty-~~
4 ~~nine pesos (P59.00)] ONE HUNDRED SEVENTY-ONE PESOS (P171.00) per
5 proof liter.
6~~

7 “(E) Effective January 1, [2024] 2030

8 “(1) An ad valorem tax equivalent to twenty-two percent (22%) of the net
9 retail price (excluding the excise tax and the value-added tax) per proof; and

10 “(2) In addition to the *ad valorem* tax herein imposed, a specific tax of [~~Sixty-~~
11 ~~six pesos (P66.00)] TWO HUNDRED FOURTEEN (P214.00) per proof liter.
12~~

13 (F) In addition to the ad valorem tax herein imposed, the specific tax
14 imposed under this Section shall be increased by six percent (6%) every year
15 thereafter, effective January 1, [2025] 2031, through revenue regulations to be
16 issued by the Secretary of Finance.
17

18 XXX
19

20 Any person liable for any of the acts or omissions prohibited under this
21 Section shall be criminally liable and penalized under Section 254 of this Code.
22 Any person who willfully aids or abets in the commission of any such act or
23 omission shall be criminally liable in the same manner as the principal.
24

25 **SELLING DISTILLED SPIRITS TO PERSONS BELOW EIGHTEEN (18)**
26 **YEARS OLD SHALL BE PROHIBITED, AND SHALL BE PUNISHED WITH A**
27 **FINE OF FIFTY THOUSAND PESOS (P50,000.00) AND IMPRISONMENT OF**
28 **(30) DAYS.**
29

30 If the offender is not a citizen of the Philippines, he shall be deported
31 immediately after serving the sentence, without further proceedings for
32 deportation.
33

34 **SECTION 2.** Section 142 of the National Internal Revenue Code, as amended, is
35 hereby further amended to read as follows:
36

37 **SEC. 142. Wines. - XXX**
38

39 “Any person liable for any of the acts or omissions prohibited under this
40 Section shall be criminally liable and penalized under Section 254 of this Code.
41 Any person who willfully aids or abets in the commission of any such act or
42 omission shall be criminally liable in the same manner as the principal.
43

44 **SELLING WINE PRODUCTS TO PERSONS BELOW EIGHTEEN (18)**
45 **YEARS OLD SHALL BE PROHIBITED, AND SHALL BE PUNISHED WITH A**
46 **FINE OF FIFTY THOUSAND PESOS (P50,000.00) AND IMPRISONMENT OF**
47 **(30) DAYS.**

1 If the offender is not a citizen of the Philippines, he shall be deported
2 immediately after serving the sentence, without further proceedings for
3 deportation.”
4

5 SECTION 3. Section 143 of the National Internal Revenue Code, as amended, is
6 hereby further amended to read as follows:
7

8 SEC. 143. **PRE-MIXED ALCOHOLIC BEVERAGES AND** Fermented
9 Liquors. There shall be levied, assessed and collected an excise tax on **PRE-MIXED**
10 **ALCOHOLIC BEVERAGES**, beer, lager beer, ale, porter and other fermented
11 liquors regardless if manufactured in factories or sold and brewed at micro-
12 breweries or small establishments such as pubs and restaurants, except *tuba*, *basi*,
13 *tapuy* and similar fermented liquors in accordance with the following schedule:
14

15 “Effective on January 1, [2020] 2026, the tax shall be FIFTY PESOS (P50.00)
16 per liter.
17

18 “Effective on January 1, [2021] 2027, the tax shall be FIFTY-FIVE PESOS
19 (P55.00) per liter.
20

21 “Effective on January 1, [2022] 2028, the tax shall be SIXTY-ONE PESOS
22 (P61.00) per liter.
23

24 “Effective on January 1, [2023] 2029, the tax shall be SIXTY-SEVEN PESOS
25 (P67.00) per liter.
26

27 “Effective on January 1, [2024] 2030, the tax shall be SEVENTY-THREE
28 PESOS (P73.00) per liter.
29

30 “The rates of tax imposed under this Section shall be increased by six
31 percent (6%) every year thereafter effective January 1, [2025] 2031, through revenue
32 regulations issued by the Secretary of Finance.
33

34 “**PRE-MIXED ALCOHOLIC BEVERAGES SUCH AS BUT NOT**
35 **LIMITED TO ‘ALCOPOPS’, ‘ALCOMIXES’, ‘COOLERS’, ‘SPIRIT COOLERS’,**
36 **‘WINE COOLERS’, ‘CRUISERS’, AND ‘BREEZERS’ SHALL MEAN**
37 **FLAVORED BEVERAGES SOLD AS BEING READY TO CONSUME, WITH**
38 **AN ALCOHOL CONTENT OF NOT MORE THAN TEN PERCENT (10%), AND**
39 **MADE BY COMBINING AN ALCOHOLIC PRODUCT SUCH AS**
40 **FERMENTED LIQUOR, DISTILLED SPIRIT, WINE, OR OTHER ALCOHOLIC**
41 **BEVERAGE WITH NON-ALCOHOLIC INGREDIENTS SUCH AS BUT NOT**
42 **LIMITED TO FRUIT JUICE, CREAM, CARBONATED WATER, AND SYRUP.**
43 **PRE-MIXED ALCOHOLIC BEVERAGES SHALL BE TAXED AS FERMENTED**
44 **LIQUOR.**
45

46 “Every brewer, manufacturer or importer of **PRE-MIXED ALCOHOLIC**
47 **BEVERAGES OR** fermented liquor shall, within thirty (30) days from the
48 effectivity of this Act, and within the first five (5) days of every month thereafter,
49 submit to the Commissioner a sworn statement of the volume of sales and

1 removals for each particular brand of **PRE-MIXED ALCOHOLIC BEVERAGES**
2 **OR** fermented liquor sold at his establishment for three-month period
3 immediately preceding.

4
5 "Any brewer, manufacturer or importer who, in violation of this Section,
6 misdeclares or misrepresents in his or its sworn statement herein required any
7 pertinent data or information shall, upon final findings by the Commissioner that
8 the violation was committed, be penalized by a summary cancellation or
9 withdrawal of his or its permit to engage in business as brewer, manufacturer or
10 importer of **PRE-MIXED ALCOHOLIC BEVERAGES OR** fermented liquor.

11
12 Any corporation, association, or partnership liable for any of the acts or
13 omissions in violation of this Section shall be fined treble the amount of deficiency
14 taxes, surcharges and interest which may be assessed pursuant to this Section.

15
16 Any person liable for any of the acts or omissions prohibited under this
17 Section shall be criminally liable and penalized under Section 254 of this Code.
18 Any person who willfully aids or abets in the commission of any such act or
19 omission shall be criminally liable in the same manner as the principal.

20
21 **SELLING PRE-MIXED ALCOHOLIC BEVERAGES OR FERMENTED**
22 **LIQUORS TO PERSONS BELOW EIGHTEEN (18) YEARS OLD SHALL BE**
23 **PROHIBITED, AND SHALL BE PUNISHED WITH A FINE OF FIFTY**
24 **THOUSAND PESOS (P50,000.00) AND IMPRISONMENT OF (30) DAYS.**

25
26 **THE BOTTLE, CAN, OR ANY OUTSIDE PACKAGING OF PRE-MIXED**
27 **ALCOHOLIC BEVERAGES OR FERMENTED LIQUOR AND OTHER**
28 **ALCOHOLIC PRODUCTS SHALL HAVE THE CORRESPONDING HEALTH**
29 **WARNING BASED ON THE GUIDELINES TO BE ISSUED BY THE BIR, IN**
30 **CONSULTATION WITH THE DEPARTMENT OF HEALTH.**

31
32 If the offender is not a citizen of the Philippines, he shall be deported
33 immediately after serving the sentence, without further proceedings for
34 deportation.

35
36 **SECTION. 4.** Section 8 of the National Internal Revenue Code, as amended, is
37 hereby further amended to read as follows:

38
39 "Section 8. Duty of the Commissioner to Ensure the Provision and
40 Distribution of Forms, Receipts, Certificates, and Appliances, and the
41 Acknowledgment of Payment of Taxes. -

42
43 "(A) Provision and Distribution to Proper-Officials. - Any law to the
44 contrary notwithstanding, it shall be the duty of the Commissioner, among other
45 things, to prescribe, provide, and distribute to the proper officials the requisite
46 licenses; internal revenue stamps; unique, secure and nonremovable identification
47 markings (hereafter called unique identification markings), such as codes or
48 stamps, be affixed to or form part of all unit packets and packages and any outside
49 packaging of cigarettes and bottles **OR CAN OR ANY PACKAGING** of distilled

1 spirits OR WINES OR PRE-MIXED ALCOHOLIC BEVERAGE OR
2 FERMENTED LIQUORS; labels and other forms; certificates; bonds; records;
3 invoices; books; receipts; instruments; appliances and apparatus used in
4 administering the laws falling within the jurisdiction of the Bureau. For this
5 purpose, internal revenue stamps, or other markings and labels shall be caused by
6 the Commissioner to be printed with adequate security features.
7

8 "Internal revenue stamps, whether of a bar code or fusion design, or other
9 markings shall be firmly and conspicuously affixed or printed on each pack of
10 cigars and cigarettes and bottles OR CAN OR ANY PACKAGING of distilled
11 spirits OR WINES OR PRE-MIXED ALCOHOLIC BEVERAGE OR
12 FERMENTED LIQUORS subject to excise tax in the manner and form as
13 prescribed by the Commissioner, upon approval of the Secretary of Finance.
14

15 "To further improve tax administration, cigarette and alcohol
16 manufacturers shall be required to install automated volume-counters of packs
17 and bottles OR CANS OR ANY OTHER PACKAGING OF ALCOHOLIC
18 BEVERAGES to deter over-removals and misdeclaration of removals."
19

20 **SECTION 5. *Implementing Rules and Regulations.*** - Within ninety (90) days from
21 the effectivity of this Act, the Department of Finance and the Department of Health shall
22 issue the rules and regulations for the effective implementation of this Act.
23

24 **SECTION 6. *Repealing Clause.*** - All laws, decrees, executive orders, rules and
25 regulations, and other issuances or parts thereof, which are inconsistent with the
26 provisions of this Act, are hereby repealed, amended or otherwise modified accordingly.
27

28 **SECTION 7. *Separability Clause.*** - If any provision of this Act is declared invalid or
29 unconstitutional, the remaining provisions hereof which are not affected shall remain in
30 full force and effect.
31

32 **SECTION 8. *Effectivity.*** - This Act shall take effect fifteen (15) days following its
33 publication in the Official Gazette or in at least one (1) newspaper of general circulation.
34

35 *Approved,*