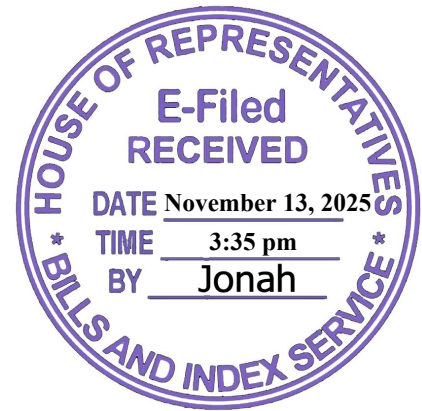




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 5966



Introduced by Representative **ANTONINO B. ROMAN III**

EXPLANATORY NOTE

Every hour, two Filipinos die prematurely due to alcohol-related harm. In 2023 alone, alcohol caused an estimated 17,000 deaths—217 of whom were under 20 years old.¹ Beyond non-communicable diseases such as liver cirrhosis, hypertension, stroke, and cancer, harmful alcohol use contributes to road crashes, community violence, and domestic abuse.

Alcohol consumption harms not just the drinker but also families, bystanders, and the wider community. It places a heavy burden on households through out-of-pocket medical expenses and diverts resources away from essential needs. In 2023, alcohol use cost the country at least ₱85.4 billion in direct healthcare expenditures and ₱170.8 billion in indirect economic losses, including productivity loss and social harm.²

The World Health Organization recognizes increasing alcohol taxation as the most cost-effective policy instrument to reduce harmful consumption. However, despite existing excise taxes, alcoholic beverages—particularly pre-mixed drinks or “alcopops”—remain highly affordable. Some alcopops can be purchased for as low as ₱34.00, making them especially appealing to young people.

As shown in Table 1, the bill proposes higher excise tax rates from 2026 to 2030, followed by an annual 6% indexation. Based on price modeling in Table 2, the adjustments will make alcoholic beverages less affordable, reducing consumption, especially among young and price-sensitive drinkers.

¹ Institute for Health Metrics and Evaluation (2023). Global Burden of Disease. Retrieved from <https://vizhub.healthdata.org/gbd-results/>.

² Derived from the Global Burden of Disease (GBD) study of the Institute for Health Metrics and Evaluation (IHME).

Table 1. Proposed tax rates versus current tax rates

	Spirits		Beer and Alcopops	
	Current Rates	Proposal: 25% increase in the specific tax	Current Rates	Proposal: 10% increase in the specific tax
	PHP/proof liter	PHP/proof liter	PHP/proof liter	PHP/proof liter
2025	69.96	-	45.48	-
2026	74.16	88	48.31	50
2027	78.61	109	51.21	55
2028	83.32	137	54.29	61
2029	88.32	171	57.54	67
2030	93.62	214	61.00	73

Table 2. Effect of proposed tax rates vs. effect of current tax rates on retail prices³

Sample Product	Volume (Liters)	Net Retail Price (PHP)	Retail Price-Prevailing Tax Rate (PHP)	Retail Price-Proposed Rate for Fermented Liquors (PHP)	Retail Price-Proposed Rate for Distilled Spirits (PHP)	Est. Price Increase (PHP)
ABC Beer	1	51.49	111.78	113.67	-	1.89
DEF Beer	0.33	32.19	53.91	54.53	-	0.62
GHI Gin	0.7	88.08	150.55	-	157.60	7.05
JKL Brandy	0.35	27.27	56.31	-	60.22	3.91
XYZ Alcopop	0.33	27.31	34.00	49.07	-	15.07

To ensure that revenues directly support public health, 60% of the additional total alcohol revenues, estimated at ₱206 billion from 2026 to 2030 (or roughly ₱41 billion annually), will be earmarked for the implementation of the Diagnosis-Related Groups (DRG) payment system under Section 18(b) of Republic Act No. 11223 or the *Universal Health Care Act of 2019*. This allocation amounts to around ₱124 billion over 5 years (or roughly ₱25 billion annually) for the DRG system, which will establish a more transparent, predictable, and fair payment mechanism that expands PhilHealth coverage to include hospital expenses, professional fees, and related medical costs—directly easing the financial burden on Filipino families.

³ These estimates assume full pass-through of taxes. In reality, manufacturers will absorb some of the tax burden in a way that maximizes their profits.

The bill also introduces:

- Unique identification marks or revenue stamps on alcoholic products to strengthen tax administration; and
- An express prohibition on the sale, distribution, or promotion of alcohol to minors.

This measure seeks to strike a balance between public health protection and sustainable financing. By reducing harmful alcohol consumption and ensuring that revenues fund Universal Health Care, this bill protects Filipino families—especially the poor—from preventable illness and catastrophic healthcare spending.

Immediate passage of this measure is earnestly sought.

A handwritten signature in black ink, appearing to read 'Antonino B. Roman III', with a stylized, flowing script.

ANTONINO B. ROMAN III



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 5966

Introduced by Representative **ANTONINO B. ROMAN III**

AN ACT
INCREASING THE EXCISE TAX ON ALCOHOLIC BEVERAGES, AMENDING
FOR THIS PURPOSE SECTIONS 141, 142, 143, 8, AND 288-A OF 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:

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, ~~[2020]~~ **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 ~~[Forty-two pesos (P42.00)]~~ **EIGHTY-EIGHT PESOS (P88.00)** per proof liter.

(B) Effective January 1, ~~[2021]~~ **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 ~~[Forty-seven pesos (P47.00)]~~ **ONE HUNDRED NINE PESOS (P109.00)** per proof liter.

(C) Effective January 1, ~~[2022]~~ **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 [~~Fifty-two pesos (P52.00)~~] **ONE HUNDRED THIRTY-SEVEN PESOS (P137.00)** per proof liter.

(D) Effective January 1, [~~2023~~] **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, a specific tax of [~~Fifty-nine pesos (P59.00)~~] **ONE HUNDRED SEVENTY-ONE PESOS (P171.00)** per proof liter.

(E) Effective January 1, [~~2024~~] **2030**

(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 [~~Sixty-six pesos (P66.00)~~] **TWO HUNDRED FOURTEEN (P214.00)** per proof liter.

(G) 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, 2031, THROUGH REVENUE REGULATIONS TO BE ISSUED BY THE SECRETARY OF FINANCE.

X X X

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.

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

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

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

SEC. 142. *Wines.* – X X X

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.

SELLING WINE PRODUCTS TO PERSONS BELOW EIGHTEEN (18) YEARS OLD SHALL BE PROHIBITED, AND SHALL BE PUNISHED WITH A FINE OF FIFTY THOUSAND PESOS (₱50,000.00) AND IMPRISONMENT OF (30) DAYS.

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

SECTION 3. 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, [~~2020~~] 2026, the tax shall be **FIFTY PESOS (₱50.00)** per liter.

Effective on January 1, [~~2021~~] 2027, the tax shall be **FIFTY-FIVE PESOS (₱55.00)** per liter.

Effective on January 1, [~~2022~~] 2028, the tax shall be **SIXTY-ONE PESOS (₱61.00)** per liter.

Effective on January 1, [~~2023~~] 2029, the tax shall be **SIXTY-SEVEN PESOS (₱67.00)** per liter.

Effective on January 1, [~~2024~~] 2030, the tax shall be **SEVENTY-THREE PESOS (₱73.00)** per liter.

The rates of tax imposed under this Section shall be increased by six percent (6%) every year thereafter effective January 1, [~~2025~~] 2031, 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 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.

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.

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

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

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

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

SEC. 8. Duty of the Commissioner to Ensure the Provision and Distribution of Forms, Receipts, Certificates, and Appliances, and the Acknowledgment of Payment of Taxes.

(A) Provision and Distribution to Proper-Officials. – Any law to the contrary notwithstanding, it shall be the duty of the Commissioner, among other things, to prescribe, provide, and distribute to the proper officials the requisite licenses; internal

revenue stamps; unique, secure and nonremovable identification markings (hereafter called unique identification markings), such as codes or stamps, be affixed to or form part of all unit packets and packages and any outside packaging of cigarettes and bottles **OR CAN OR ANY PACKAGING** of distilled spirits **OR WINES OR PRE-MIXED ALCOHOLIC BEVERAGE OR FERMENTED LIQUORS**; labels and other forms; certificates; bonds; records; invoices; books; receipts; instruments; appliances and apparatus used in administering the laws falling within the jurisdiction of the Bureau. For this purpose, internal revenue stamps, or other markings and labels shall be caused by the Commissioner to be printed with adequate security features.

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

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

SECTION 5. Section 288-A of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

SEC. 288-A. *Disposition of Revenues from Excise Tax on Sweetened Beverages, Alcohol, Tobacco Products, Heated Tobacco Products, and Vapor Products.*

(A) X X X

(B) *Revenues from Excise Tax on Alcohol Products.* - The provisions of existing laws to the contrary notwithstanding, one hundred percent (100%) of the total revenues collected from the excise tax on alcohol products shall be allocated and used exclusively in the following manner:

(1) Sixty percent (60%) **TO THE PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH)** for the implementation of Republic Act No. 11223, otherwise known as the 'Universal Health Care Act of 2019', **TO ENSURE IMPLEMENTATION OF SECTION 18 (B) THEREOF, MANDATING THE USE OF DIAGNOSIS-RELATED GROUPS (DRG) AS PAYMENT SYSTEM;**

X X X

SECTION 6. 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 7. Repealing Clause. -- All laws, decrees, executive orders, rules and regulations, and other issuances or parts thereof, which are inconsistent with the provisions of this Act, are hereby repealed, amended or otherwise modified accordingly.

SECTION 8. Separability Clause. -- If any provision of this Act is declared invalid or unconstitutional, the remaining provisions hereof which are not affected shall remain in full force and effect.

SECTION 9. Effectivity. -- This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in at least one (1) newspaper of general circulation.

Approved,