



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



TWENTIETH CONGRESS
Second Regular Session

HOUSE BILL NO. 10925

Introduced by REPRESENTATIVE ALYSSA MICHAELA “MICA” M. GONZALES

AN ACT
AMENDING SECTION 150-B OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

This bill seeks to amend Section 150-B of the National Internal Revenue Code, as amended, by increasing the taxes levied on sweetened beverages.

These high-sugar drinks have significantly increased cases of obesity and diabetes among Filipinos. A UNICEF study suggests that 1 out of 10 Filipino children, and 4 in 10 adults are now either overweight or obese.¹ Consumption of sweetened beverages is a prevalent health issue—a ticking time bomb—if not properly addressed. As such, the government must discourage its consumption by increasing the taxes levied to sweetened beverages to help curb rising rates of obesity and other health concerns across all age groups.

This bill seeks to increase the excise tax rates per liter of volume capacity according to the type of sweetener used, effective January 1, 2027:

TYPES OF SWEETENER	RATE AND BASE OF TAX
Purely caloric sweeteners and purely non-caloric sweeteners	Php 15.00
Purely high fructose corn syrup	Php 30.00
All flavored milk, fermented milk and flavored non-dairy milk beverages	Php 4.00
All sweetened coffee products	Php 4.00

All milk products without any sweeteners are exempted from this Act.

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

REP. ALYSSA MICHAELA “MICA” M. GONZALES
3rd District, Pampanga

¹ <https://www.unicef.org/philippines/press-releases/stronger-food-policies-needed-combat-obesity-philippines>



HOUSE BILL NO. 10925

**Introduced by REPRESENTATIVE ALYSSA MICHAELA “MICA” M.
GONZALES**

**AN ACT
AMENDING SECTION 150-B OF THE NATIONAL INTERNAL REVENUE
CODE, 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 150-B of the National Internal Revenue Code, as amended, is
further amended and renumbered to read as follows:

"SEC. 150-B. Sweetened Beverages. -

"(A.) Rate and Base of Tax. – Effective January 1, ~~2018~~ 2027:

"(1) A tax of ~~Six~~ **FIFTEEN PESOS (P15.00)** per liter of volume
capacity shall be levied, assessed, and collected on sweetened beverages
using purely caloric sweeteners, and purely non-caloric sweeteners, or a
mix of caloric and non-caloric sweeteners; Provided, further, That this tax
rate shall not apply to sweetened beverages using high fructose corn syrup;
Provided, further, That sweetened beverages using purely coconut sap
sugar and purely steviol glycosides shall be exempt from this tax;

"(2) A tax of ~~Twelve~~ **THIRTY PESOS (P30.00)** per liter of
volume capacity shall be levied, assessed, and collected on sweetened
beverages using purely high fructose com syrup or in combination with
any caloric or non-caloric sweetener.

**(3) A TAX OF FOUR PESOS (P4.00) PER LITER OF VOLUME
CAPACITY SHALL BE LEVIED, ASSESSED, AND COLLECTED
ON ALL FLAVORED MILK, FERMENTED MILK, AND
FLAVORED NON-DAIRY MILK BEVERAGES.**

(4) A TAX OF FOUR PESOS (P4.00) PER LITER OF VOLUME CAPACITY SHALL BE LEVIED, ASSESSED, AND COLLECTED ON ALL SWEETENED COFFEE PRODUCTS.

“ (B) Definition of Terms. ~ As used in this Act:

"(1) Sweetened beverages (SBs) refer to non-alcoholic beverages of any constitution (liquid, powder, or concentrates) that are pre-packaged and sealed in accordance with the Food and Drug Administration (FDA) standards, that contain caloric and/or non-caloric sweeteners added by the manufacturers, and shall include, but not be limited to the following, as described in the Food Category System from Codex Alimentarius Food Category Descriptors (Codex Stan 192-1995, Rev. 2017 or the latest) as adopted by the FDA:

- "(a) Sweetened juice drinks;
 - "(b) Sweetened tea;
 - "(c) All carbonated beverages;
 - "(d) Flavored water;
 - "(e) Energy and sports drinks;
 - "(f) Other powdered drinks not classified as milk, juice, tea, and coffee;
 - "(g) Cereal and grain beverages;~~and~~
 - "(h) Other non-alcoholic beverages that contain added sugar.
 - (i) FLAVORED MILK, FERMENTED MILK, AND FLAVORED NON-DAIRY MILK**
 - (j) ALL SWEETENED COFFEE PRODUCTS**
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(5) NUTRITION-SPECIFIC INTERVENTIONS REFER TO PROGRAMS THAT DIRECTLY ADDRESS THE IMMEDIATE CAUSES OF MALNUTRITION. THESE INTERVENTIONS INCLUDE:

- (A) SUPPORT FOR EXCLUSIVE BREASTFEEDING UP TO SIX (6) MONTHS OF AGE AND CONTINUED BREASTFEEDING, TOGETHER WITH APPROPRIATE AND NUTRITIOUS FOOD, UP TO TWO (2) YEARS OF AGE;
- (B) FORTIFICATION OF FOODS;
- (C) MICRONUTRIENT SUPPLEMENTATION;
- (D) DIETARY SUPPLEMENTATION;
- (E) TREATMENT OF SEVERE MALNUTRITION.

(6) NUTRITION-SENSITIVE INTERVENTIONS REFER TO PROGRAMS AND STRATEGIES THAT ADDRESS THE UNDERLYING FACTORS CONTRIBUTING TO MALNUTRITION. THESE INTERVENTIONS INCLUDE:

- (A) WATER, SANITATION, AND HYGIENE (WASH) – IMPROVING ACCESS TO CLEAN WATER AND SANITATION TO REDUCE DISEASE AND INFECTION;
- (B) HEALTHCARE – EXPANDING ACCESS TO HEALTH SERVICES TO SUPPORT THE WELL-BEING OF INDIVIDUALS, WITH PARTICULAR EMPHASIS ON THE HEALTH NEEDS OF WOMEN AND CHILDREN.

"(C) *Exclusions.* — The following products, as described in the food category system from Codex Alimentarius Food Category Descriptors (Codes Stan 192-1995, Rev. 2017 or the latest) as adopted by the FDA, are excluded from the scope of this Act:

"(1) ~~All milk products, including plain milk, infant formula milk, follow-on milk, growing-up milk, powdered milk, ready-to-drink milk and flavored milk, fermented milk, soymilk, and flavored soymilk;~~ **MILK PRODUCTS**

WITHOUT ANY SWEETENER SUCH AS PLAIN MILK, MILK PRODUCTS INTENDED FOR INFANTS AND FOR YOUNG CHILDREN AND NUTRITIONAL SUPPLEMENTAL MILK:

- (a) INFANT FORMULA – A HUMAN MILK SUBSTITUTE FOR INFANTS (AGED NO MORE THAN 12 MONTHS) THAT IS SPECIFICALLY FORMULATED TO PROVIDE THE SOLE SOURCE OF NUTRITION DURING THE FIRST MONTHS OF LIFE UP TO THE INTRODUCTION OF APPROPRIATE COMPLEMENTARY FEEDING.**
- (b) FOLLOW-UP FORMULA – FOOD INTENDED FOR USE AS A LIQUID PART OF THE COMPLEMENTARY FEEDING OF INFANTS (AGED AT LEAST 6 MONTHS) AND FOR YOUNG CHILDREN (AGED 1-3 YEARS).**
- (c) NUTRITIONAL SUPPLEMENTAL MILK – REFERS TO VARIOUS FORMULATIONS OF MILK DESIGNED FOR ADULTS, TAILORED TO SUPPORT HEALTH NEEDS SUCH AS BONE STRENGTH AND MUSCLE PRESERVATION, AMONG OTHERS.**

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(5) ~~Ground coffee, instant soluble coffee, and pre-packaged powdered coffee products~~ GROUND COFFEE AND INSTANT COFFEE AS DESCRIBED IN FDA ADMINISTRATIVE ORDER NO. 136-A S. 1985:

- (a) ROASTED COFFEE – PRODUCT OBTAINED BY ROASTING THE DRIED BEANS OF THE COFFEE PLANT (GENUS COFFEA)**

(b) COFFEE EXTRACT – PRODUCT OBTAINED BY EXCLUSIVELY FROM ROASTED COFFEE BY PHYSICAL METHODS USING WATER AS THE MEDIUM OF EXTRACTION AND THE ONLY CARRYING AGENT WHICH IS NOT DERIVED COFFEE BEANS.

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SECTION 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.

SECTION 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.

SECTION 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.

SECTION 5. Effectivity. This act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,