



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH (20th) CONGRESS
2nd Regular Session



HOUSE BILL NO. 11412

Introduced by **REP. HENRY "INDY" F. OAMINAL JR.**

AN ACT
IMPOSING EXCISE TAXES ON HIGH-SODIUM AND HIGH-SUGAR FOOD AND SWEETENED BEVERAGES, AMENDING FOR THE PURPOSE SECTIONS 150-B AND 288-A, CREATING A NEW SECTION 150-C, OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

A healthy population is indispensable to national productivity and inclusive growth. The excessive intake of sodium and added sugars are dietary risk factors that drive the country's most burdensome noncommunicable diseases such as hypertension, diabetes, cardiovascular disease, all of which further contribute to chronic kidney disease ("CKD"). Diabetes and hypertension has been recognized as the two leading drivers of CKD, which was reported to contribute 50.62% and 23.26% to CKD worldwide, respectively.¹

The US Centers for Disease Control and Prevention has found that approximately one-third of adults with diabetes have CKD, while approximately one-fifth of adults with hypertension have CKD.² Diabetes and hypertension are major risk factors for cardiovascular disease. Since the cardiovascular system and kidneys are deeply interconnected, when one of these systems develops problems, it can lead to problems in the other. A UK Biobank study showed that about 5.6% of people with cardiovascular disease developed CKD within 10 years.³

¹ Kidney Disease: Improving Global Outcomes (KDIGO) Hepatitis C Work Group, "KDIGO 2018 Clinical Practice Guideline for the Prevention, Diagnosis, Evaluation, and Treatment of Hepatitis C in Chronic Kidney Disease," *Kidney International*, <https://doi.org/10.1016/j.kint.2018.03.018>.

² Centers for Disease Control and Prevention, "Risk Factors for Chronic Kidney Disease," U.S. Department of Health & Human Services, May 15, 2024, <https://www.cdc.gov/kidney-disease/risk-factors/index.html>.

³ Sophie Claudel et al., "Abstract 40: Risk of Incident Chronic Kidney Disease Among Subtypes of Prevalent and Incident Cardiovascular Disease: UK Biobank", March 24, 2026, accessed at https://www.ahajournals.org/doi/10.1161/cir.153.suppl_1.40.

Fiscal measures can reduce consumption of products that contain excessive levels of nutrients of concern while giving manufacturers a direct incentive to reformulate. A well-designed excise tax should therefore be objective, measurable, administratively workable, and structured so that a product can avoid or reduce the tax when its sodium or added-sugar content is lowered.

This bill adopts that approach.

For sweetened beverages already covered by Section 150-B of the National Internal Revenue Code, the bill retains the existing excise-tax framework but shifts calorically sweetened beverages toward sugar-concentration tiers. This aligns the tax more closely with the public-health objective by imposing a higher tax on beverages with more added sugar while preserving the existing treatment of beverages that use non-caloric sweeteners. Products already taxed under Section 150-B are not again taxed for sugar under the new Section 150-C.

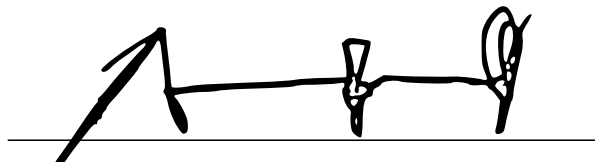
For prepackaged processed foods, it uses uniform nutrient concentrations per one hundred (100) grams and applies tiered specific excise taxes per kilogram of product. The use of a uniform one-hundred-gram basis avoids manipulation through artificially small serving sizes and creates a clear reformulation target. The tax is based on the highest applicable nutrient tier so that a single product is not subjected to cumulative sodium and sugar excises under the same section.

Fresh and unprocessed basic foods, food prepared and sold for immediate consumption on-site, infant formula, and food for special medical purposes are excluded. The bill does not exempt particular high-sodium processed products merely because they are inexpensive. Instead, every manufacturer is given the same path to lower tax liability: reduce the sodium or added-sugar content below the statutory threshold.

The measure also provides for inflation indexation of specific tax rates, objective rules for determining nutrient content, manufacturer and importer declarations subject to verification, a reasonable transition period for reformulation and compliance, and periodic review by Congress based on revenue, health, consumer, and industry effects.

The revenues from the new food excise are dedicated to Universal Health Care, medical assistance and health facilities, and nutrition-specific and nutrition-sensitive interventions. In this manner, the tax both discourages excessive consumption and helps finance the public health programs needed to address the diseases associated with unhealthy diets.

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



REP. HENRY "INDY" F. OAMINAL JR.
Asenso Pinoy Partylist



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

SECTION 1. Short Title. — This Act shall be known as the “High Sodium and High Sugar Food and Beverage Tax Act.”

SEC. 2. Declaration of Policy. — It is the policy of the State to protect and promote the right to health; discourage excessive consumption of sodium and added sugars; encourage the reformulation of processed food and beverages toward healthier nutrient profiles; impose excise taxes that are objective, measurable, and administratively workable; and use the resulting revenues to strengthen Universal Health Care and nutrition programs.

SEC. 3. Amendment of Section 150-B of the National Internal Revenue Code. — Section 150-B of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:

“SEC. 150-B. Sweetened Beverages. —

(A) Rate and Base of Tax. — ~~[Effective January 1, 2018:]~~ **EFFECTIVE ONE (1) YEAR FROM THE EFFECTIVITY OF THIS ACT, THERE SHALL BE**

**LEVIED, ASSESSED, AND COLLECTED ON SWEETENED BEVERAGES
THE FOLLOWING EXCISE TAXES:**

~~[(1) A tax of Six pesos (P6.00) 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, 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; and]~~

(1) ON SWEETENED BEVERAGES CONTAINING CALORIC SWEETENERS AND HAVING FIVE (5) GRAMS BUT LESS THAN EIGHT (8) GRAMS OF ADDED SUGAR PER ONE HUNDRED MILLILITERS (100 ML), A TAX OF TWENTY PESOS (P20.00) PER LITER OF VOLUME CAPACITY, OR PROPORTIONATELY ON A FRACTION THEREOF;

~~[(2) A tax of Twelve pesos (P12.00) per liter of volume capacity shall be levied, assessed, and collected on sweetened beverages using purely high fructose corn syrup or in combination with any caloric or non-caloric sweetener.]~~

(2) ON SWEETENED BEVERAGES CONTAINING CALORIC SWEETENERS AND HAVING EIGHT (8) GRAMS AND ABOVE OF ADDED SUGAR PER ONE HUNDRED MILLILITERS (100 ML), A TAX OF FORTY PESOS (P40.00) PER LITER OF VOLUME CAPACITY, OR PROPORTIONATELY ON A FRACTION THEREOF; AND

(3) ON SWEETENED BEVERAGES CONTAINING, SOLELY OR IN COMBINATION, NON-CALORIC SWEETENERS, PROVIDED, THAT SHOULD CALORIC SWEETENERS BE INCLUDED IN THE MIXTURE, WITH THE SAME HAVING FIVE (5) GRAMS BUT LESS THAN EIGHT (8) GRAMS OF ADDED SUGAR PER ONE HUNDRED MILLILITERS (100 ML), A TAX OF TWENTY PESOS (P20.00) PER LITER OF VOLUME CAPACITY. PROVIDED, FURTHER, SHOULD CALORIC SWEETENERS BE INCLUDED IN THE MIXTURE AND THE SAME IS EIGHT (8) GRAMS AND ABOVE OF ADDED SUGAR PER ONE HUNDRED MILLILITERS (100 ML), A TAX OF FORTY PESOS (P 40.00) PER LITER OF VOLUME CAPACITY SHALL BE IMPOSED.

SWEETENED BEVERAGES CONTAINING CALORIC SWEETENERS LESS THAN FIVE (5) GRAMS OF ADDED SUGAR PER ONE HUNDRED MILLILITERS (100 ML) SHALL NOT BE SUBJECT TO THE TAX IMPOSED UNDER PARAGRAPHS (1) AND (2) OF THIS SUBSECTION. FOR POWDERED OR CONCENTRATED PRODUCTS

INTENDED TO BE CONSUMED AFTER DILUTION OR RECONSTITUTION, THE ADDED-SUGAR CONCENTRATION AND TAXABLE VOLUME SHALL BE DETERMINED ON THE BASIS OF THE BEVERAGE AS PREPARED IN ACCORDANCE WITH THE MANUFACTURER'S STANDARD DIRECTIONS.

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

x x x

- (5) "ADDED SUGAR" MEANS CALORIC MONO- AND DISACCHARIDES ADDED DURING MANUFACTURE OR PROCESSING, INCLUDING SUGARS FROM SYRUPS, HONEY, CONCENTRATES, AND OTHER CALORIC SWEETENING AGENTS, BUT EXCLUDING NATURALLY OCCURRING SUGARS INTRINSIC TO INTACT FRUITS, VEGETABLES, AND PLAIN MILK.

x x x

- (F) DETERMINATION OF SUGAR CONTENT. — ADDED-SUGAR CONCENTRATION SHALL BE BASED ON THE MANUFACTURER'S OR IMPORTER'S FORMULA AND SWORN DECLARATION FILED WITH THE BUREAU OF INTERNAL REVENUE, SUBJECT TO VERIFICATION BY THE BUREAU OF INTERNAL REVENUE THROUGH RECORDS INSPECTION AND LABORATORY ANALYSIS BY THE FOOD AND DRUG ADMINISTRATION OR AN ACCREDITED LABORATORY.

THE SECRETARY OF FINANCE, IN COORDINATION WITH THE SECRETARY OF HEALTH, THE COMMISSIONER OF INTERNAL REVENUE, AND THE FOOD AND DRUG ADMINISTRATION, SHALL PRESCRIBE UNIFORM METHODS OF SAMPLING, TESTING, ROUNDING, AND DETERMINATION OF ADDED-SUGAR CONCENTRATION."

SEC. 4. Creation of Section 150-C of the National Internal Revenue Code. — A new Section 150-C is hereby inserted into Chapter VI, Title VI of the National Internal Revenue Code of 1997, as amended, to read as follows:

"SEC. 150-C. EXCISE TAX ON HIGH-SODIUM AND HIGH-SUGAR FOOD.

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- (A) COVERED PRODUCTS. — THE TAX IMPOSED UNDER THIS SECTION SHALL APPLY TO PREPACKAGED PROCESSED FOOD

MANUFACTURED OR PRODUCED IN THE PHILIPPINES FOR DOMESTIC SALE OR CONSUMPTION, OR IMPORTED INTO THE PHILIPPINES, THAT EXCEEDS ANY SODIUM OR ADDED-SUGAR THRESHOLD SPECIFIED IN SUBSECTION (C).

(B) DEFINITION OF TERMS. – FOR PURPOSES OF THIS SECTION:

- (1) “PREPACKAGED PROCESSED FOOD” MEANS FOOD THAT HAS UNDERGONE PROCESSING OR FORMULATION AND IS PLACED IN A PACKAGE OR CONTAINER BEFORE BEING OFFERED FOR RETAIL SALE, AND IS INTENDED FOR CONSUMPTION WITHOUT FURTHER INDUSTRIAL PROCESSING;**
- (2) “ADDED SUGAR” HAS THE SAME MEANING AS UNDER SECTION 150-B OF THIS CODE;**
- (3) “SODIUM” MEANS THE AMOUNT OF SODIUM CONTAINED IN THE FOOD FROM ALL INGREDIENTS AND SOURCES, EXPRESSED IN MILLIGRAMS (MG) PER ONE HUNDRED GRAMS (100 G) OF PRODUCT;**
- (4) “AS SOLD” MEANS THE PRODUCT IN THE PHYSICAL FORM IN WHICH IT IS ORDINARILY OFFERED FOR RETAIL SALE. FOR DEHYDRATED, POWDERED, CONCENTRATED, OR SIMILAR PRODUCTS INTENDED TO BE RECONSTITUTED BEFORE CONSUMPTION, NUTRIENT CONCENTRATION SHALL BE DETERMINED AS PREPARED IN ACCORDANCE WITH THE MANUFACTURER’S STANDARD DIRECTIONS.**

(C) NUTRIENT THRESHOLDS AND TAX RATES. – EFFECTIVE ONE (1) YEAR FROM THE EFFECTIVITY OF THIS ACT, THERE SHALL BE COLLECTED ON EVERY KILOGRAM (KG) OF A COVERED PRODUCT, OR PROPORTIONATELY ON A FRACTION THEREOF, THE FOLLOWING EXCISE TAX, DETERMINED ACCORDING TO THE HIGHEST APPLICABLE TIER:

- (1) TIER ONE – TWENTY PESOS (₱20.00) PER KILOGRAM, IF THE PRODUCT, AS SOLD, CONTAINS EITHER:**
 - (A) FOUR HUNDRED MILLIGRAMS (400 MG) OR MORE, BUT LESS THAN EIGHT HUNDRED MILLIGRAMS (800 MG), OF SODIUM PER ONE HUNDRED GRAMS (100 G); OR**

(B) TEN GRAMS (10 G) OR MORE, BUT LESS THAN TWENTY GRAMS (20 G), OF ADDED SUGAR PER ONE HUNDRED GRAMS (100 G).

(2) TIER TWO – FORTY PESOS (₱40.00) PER KILOGRAM, IF THE PRODUCT, AS SOLD, CONTAINS EITHER:

(A) EIGHT HUNDRED MILLIGRAMS (800 MG) AND ABOVE OF SODIUM PER ONE HUNDRED GRAMS (100 G); OR

(B) TWENTY GRAMS (20 G) AND ABOVE OF ADDED SUGAR PER ONE HUNDRED GRAMS (100 G).

WHERE A PRODUCT MEETS BOTH A SODIUM THRESHOLD AND AN ADDED-SUGAR THRESHOLD, ONLY THE SINGLE HIGHEST APPLICABLE RATE UNDER THIS SUBSECTION SHALL BE IMPOSED. THE SODIUM AND SUGAR RATES UNDER THIS SECTION SHALL NOT BE CUMULATIVE.

(D) UNIFORM MEASUREMENT. – LIABILITY UNDER THIS SECTION SHALL BE DETERMINED ON A ONE-HUNDRED-GRAM (100 G) BASIS AND SHALL NOT DEPEND ON THE SERVING SIZE STATED BY THE MANUFACTURER, IMPORTER, DISTRIBUTOR, OR RETAILER. THE DECLARED NET WEIGHT OF THE PRODUCT, AS STATED IN THE SWORN DECLARATION UNDER SUBSECTION (G) SHALL BE THE BASIS FOR DETERMINING THE QUANTITY OF PRODUCT ON WHICH THE PER-KILOGRAM TAX IS PRORATED.

(E) EXCLUSIONS. – THE FOLLOWING SHALL NOT BE SUBJECT TO THE TAX IMPOSED UNDER THIS SECTION:

(1) FRESH FRUITS AND VEGETABLES; UNPROCESSED MEAT, POULTRY, FISH, AND SEAFOOD; EGGS; PLAIN RICE; CORN; ROOT CROPS; LEGUMES; AND OTHER UNPROCESSED GRAINS AND AGRICULTURAL COMMODITIES;

(2) FOOD PREPARED AND SOLD FOR IMMEDIATE CONSUMPTION AT THE SAME PREMISES WHERE PREPARED, INCLUDING FOOD SOLD BY RESTAURANTS, CARINDERIAS, BAKERIES, STREET-FOOD VENDORS, AND SIMILAR ESTABLISHMENTS, UNLESS SUCH PRODUCT IS MANUFACTURED OR PREPACKAGED FOR RETAIL DISTRIBUTION;

- (3) INFANT FORMULA AND FOOD SPECIFICALLY FORMULATED AND MARKETING FOR INFANTS BELOW TWELVE (12) MONTHS OF AGE; AND**
- (4) FOOD FOR SPECIAL MEDICAL PURPOSES AND PRODUCTS USED SOLELY FOR THERAPEUTIC DIETARY MANAGEMENT UPON MEDICAL ADVICE.**

NO PRODUCT SHALL BE EXCLUDED SOLELY BECAUSE IT IS A LOW-COST PROCESSED FOOD OR IS COMMONLY CONSUMED BY LOW-INCOME HOUSEHOLDS. A COVERED PRODUCT SHALL CEASE TO BE TAXABLE WHEN REFORMULATED SO THAT IT NO LONGER EXCEEDS THE APPLICABLE STATUTORY THRESHOLD.

- (5) SALT, WHETHER UNPROCESSED, MINIMALLY PROCESSED, OR PACKAGED FOR RETAIL SALE, CLASSIFIED AS AN AGRICULTURAL OR AQUATIC RESOURCE PRODUCT UNDER REPUBLIC ACT NO. 11985, OTHERWISE KNOWN AS THE "PHILIPPINE SALT INDUSTRY DEVELOPMENT ACT," INCLUDING IODIZED SALT UNDER REPUBLIC ACT NO. 8172, OTHERWISE KNOWN AS THE "ACT FOR SALT IODIZATION NATIONWIDE (ASIN) LAW."**
- (F) NON-DUPLICATION OF SUGAR EXCISE. – A BEVERAGE SUBJECT TO THE SUGAR-RELATED EXCISE TAX UNDER SECTION 150-B SHALL NOT BE SUBJECT TO THE ADDED-SUGAR COMPONENT OF THE TAX UNDER THIS SECTION. A PRODUCT SUBJECT TO SECTION 150-B MAY BE SUBJECT TO THIS SECTION ONLY IF IT IS INDEPENDENTLY CLASSIFIED AS A COVERED HIGH-SODIUM FOOD PRODUCT UNDER RULES PRESCRIBED PURSUANT TO THIS ACT.**
- (G) DETERMINATION OF NUTRIENT CONTENT. – EVERY MANUFACTURER AND IMPORTER OF A COVERED PRODUCT SHALL FILE WITH THE BUREAU OF INTERNAL REVENUE, IN SUCH FORM AND MANNER AS THE COMMISSIONER MAY PRESCRIBE, A SWORN DECLARATION STATING THE PRODUCT'S NET WEIGHT, SODIUM CONTENT, ADDED-SUGAR CONTENT, INGREDIENTS, FORMULATION DATA NECESSARY TO VERIFY SUCH CONTENT, AND THE RESULTING TAX CLASSIFICATION. THE BUREAU OF INTERNAL REVENUE MAY REQUIRE VERIFICATION THROUGH LABORATORY ANALYSIS BY THE FOOD AND DRUG ADMINISTRATION OR A LABORATORY ACCREDITED BY THE APPROPRIATE GOVERNMENT AUTHORITY.**

FOR IMPORTED PRODUCTS, EQUIVALENT CERTIFICATES OR LABORATORY REPORTS ISSUED BY A COMPETENT AUTHORITY OR ACCREDITED LABORATORY IN THE COUNTRY OF ORIGIN MAY BE ACCEPTED SUBJECT TO VALIDATION UNDER IMPLEMENTING RULES. WHERE LABORATORY TESTING MATERIALLY DIFFERS FROM THE MANUFACTURER'S OR IMPORTER'S DECLARED NUTRIENT CONTENT, THE BUREAU OF INTERNAL REVENUE SHALL ASSESS THE TAX USING THE VERIFIED CONTENT, WITHOUT PREJUDICE TO APPLICABLE PENALTIES.

- (H) FILING AND PAYMENT. – SECTIONS 130 AND 131 OF THIS CODE, AS APPROPRIATE, SHALL APPLY TO THE FILING OF RETURNS AND PAYMENT OF THE EXCISE TAX ON DOMESTIC AND IMPORTED HIGH-SODIUM AND HIGH-SUGAR FOOD. THE TAX SHALL ATTACH UPON REMOVAL FROM THE PLACE OF PRODUCTION OR MANUFACTURE FOR DOMESTIC SALE OR CONSUMPTION, OR UPON RELEASE FROM CUSTOMS CUSTODY IN THE CASE OF IMPORTED PRODUCTS, IN ACCORDANCE WITH THIS CODE.
- (I) PENALTIES. – ALL APPLICABLE PENALTIES UNDER THIS CODE FOR FALSE OR FRAUDULENT RETURNS, MISDECLARATION, NONPAYMENT, UNLAWFUL REMOVAL, AND OTHER VIOLATIONS INVOLVING EXCISABLE ARTICLES SHALL APPLY. A WILLFUL MATERIAL MISSTATEMENT OF NUTRIENT CONTENT OR PRODUCT FORMULATION MADE FOR THE PURPOSE OF REDUCING OR AVOIDING THE TAX IMPOSED UNDER THIS SECTION SHALL CONSTITUTE A FALSE DECLARATION FOR TAX PURPOSES UNDER THE APPLICABLE PROVISIONS OF THIS CODE.
- (J) INDEXATION OF RATES. – BEGINNING JANUARY 1 OF THE THIRD CALENDAR YEAR FOLLOWING THE COMMENCEMENT OF COLLECTION UNDER THIS SECTION, AND EVERY JANUARY 1 THEREAFTER, THE SPECIFIC RATES UNDER SUBSECTION (C) SHALL BE INCREASED BY THE PERCENTAGE INCREASE IN THE CONSUMER PRICE INDEX FOR ALL ITEMS PUBLISHED BY THE PHILIPPINE STATISTICS AUTHORITY FOR THE IMMEDIATELY PRECEDING YEAR, ROUNDED TO THE NEAREST PESO: PROVIDED, THAT THE ADJUSTED RATE SHALL NOT BE LOWER THAN THE RATE IMPOSED IN THE IMMEDIATELY PRECEDING YEAR.
- (K) REVIEW OF THRESHOLDS. – THE DEPARTMENT OF HEALTH, THE DEPARTMENT OF FINANCE, THE NATIONAL NUTRITION COUNCIL, THE FOOD AND DRUG ADMINISTRATION, AND THE

NATIONAL TAX RESEARCH CENTER SHALL JOINTLY REVIEW THE STATUTORY NUTRIENT THRESHOLDS AT LEAST ONCE EVERY THREE (3) YEARS, TAKING INTO ACCOUNT PHILIPPINE DIETARY CONSUMPTION DATA, SCIENTIFIC EVIDENCE, REFORMULATION TRENDS, HEALTH OUTCOMES, REVENUE EFFECTS, AND INTERNATIONAL PRACTICE, AND SHALL SUBMIT RECOMMENDATIONS TO CONGRESS. NO ADMINISTRATIVE ISSUANCE SHALL AMEND OR EXPAND THE STATUTORY THRESHOLDS OR RATES PROVIDED IN THIS SECTION.”

(L) COORDINATION WITH THE SALT IODIZATION ADVISORY BOARD. – IN IMPLEMENTING THIS SECTION, THE DEPARTMENT OF HEALTH AND THE FOOD AND DRUG ADMINISTRATION SHALL COORDINATE WITH THE SALT IODIZATION ADVISORY BOARD CREATED UNDER REPUBLIC ACT NO. 8172 (ACT FOR SALT IODIZATION NATIONWIDE (ASIN) LAW) TO ENSURE THAT REFORMULATION UNDERTAKEN IN RESPONSE TO THIS SECTION DOES NOT RESULT IN A NET REDUCTION OF POPULATION IODINE INTAKE. THE DEPARTMENT OF HEALTH SHALL MONITOR THE EFFECT OF REFORMULATION UNDERTAKEN IN RESPONSE TO THIS SECTION ON NATIONAL AND HOUSEHOLD-LEVEL IODINE INTAKE, AND SHALL RECOMMEND TO CONGRESS ANY ADDITIONAL OR ALTERNATIVE IODINE FORTIFICATION MEASURES NECESSARY TO PREVENT A RESURGENCE OF IODINE DEFICIENCY DISORDERS.

SEC. 5. Amendment of Section 288-A of the National Internal Revenue Code. – Section 288-A of the National Internal Revenue Code of 1997, 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, **HIGH SODIUM FOOD, AND HIGH SUGAR FOOD.**

x x x

(E) REVENUES FROM EXCISE TAX ON HIGH-SODIUM AND HIGH-SUGAR FOOD. – THE PROVISIONS OF EXISTING LAWS TO THE CONTRARY NOTWITHSTANDING, ONE HUNDRED PERCENT (100%) OF THE TOTAL REVENUES COLLECTED FROM THE EXCISE TAX IMPOSED UNDER SECTION 150-C SHALL BE ALLOCATED AND USED EXCLUSIVELY IN THE FOLLOWING MANNER:

(1) FIFTY PERCENTAGE POINTS (50%) OF TOTAL COLLECTIONS TO THE PHILIPPINE HEALTH INSURANCE CORPORATION FOR THE

IMPLEMENTATION OF REPUBLIC ACT NO. 11223, OTHERWISE KNOWN AS THE “UNIVERSAL HEALTH CARE ACT”;

- (2) TEN PERCENTAGE POINTS (10%) OF TOTAL COLLECTIONS FOR MEDICAL ASSISTANCE AND THE HEALTH FACILITIES ENHANCEMENT PROGRAM, THE ANNUAL REQUIREMENTS OF WHICH SHALL BE DETERMINED BY THE DEPARTMENT OF HEALTH; AND**
- (3) FORTY PERCENTAGE POINTS (40%) OF TOTAL COLLECTIONS FOR NUTRITION-SPECIFIC AND NUTRITION-SENSITIVE INTERVENTIONS, TO BE APPROPRIATED AND DISTRIBUTED IN ACCORDANCE WITH THE ANNUAL GENERAL APPROPRIATIONS ACT AND AN OBJECTIVE ALLOCATION FORMULA THAT TAKES INTO ACCOUNT POPULATION, POVERTY INCIDENCE, PREVALENCE OF CHILD STUNTING AND WASTING, AND OTHER RELEVANT NUTRITION INDICATORS CERTIFIED BY THE NATIONAL NUTRITION COUNCIL.**

OF THE AMOUNT UNDER PARAGRAPH (3), THIRTY-FIVE PERCENTAGE POINTS (35%) OF TOTAL COLLECTIONS SHALL BE FOR NUTRITION-SPECIFIC PROGRAMS PRIMARILY BENEFITING CHILDREN FROM ZERO (0) TO FIVE (5) YEARS OF AGE AND PREGNANT AND LACTATING WOMEN, AND FIVE PERCENTAGE POINTS (5%) OF TOTAL COLLECTIONS SHALL BE FOR NUTRITION-SENSITIVE INTERVENTIONS, INCLUDING WATER, SANITATION, HYGIENE, AND RELATED PUBLIC HEALTH MEASURES.”

SEC. 6. Preservation of Existing Sweetened-Beverage Provisions. — Except for the amendments expressly made by this Act, all provisions governing sweetened beverages under Section 150-B of the National Internal Revenue Code of 1997, as amended, including applicable exclusions, filing and payment rules, administrative requirements, and penalties, shall remain in force. Nothing in this Act shall be construed to impose two sugar excise taxes on the same beverage.

SEC. 7. Baseline and Impact Evaluation. — Within nine (9) months from the effectivity of this Act, the Secretary of Finance, in coordination with the Secretary of Health, the Secretary of Trade and Industry, the Secretary of Agriculture, the Commissioner of Internal Revenue, the Food and Drug Administration, the National Nutrition Council, and the National Tax Research Center, shall establish baseline data on covered products, nutrient concentrations, prices, household expenditure, expected revenues, and relevant industry and health indicators.

Within twelve (12) months after commencement of collection, and every three (3) years thereafter, the same agencies shall submit to Congress and make publicly available an evaluation of the tax's revenue, consumer-price, consumption, reformulation, health, enforcement, and industry effects, including effects on low-income households and small businesses, subject to laws protecting confidential taxpayer and proprietary information.

SEC. 8. Implementing Rules and Regulations. — Within one hundred eighty (180) days from the effectivity of this Act, the Secretary of Finance, upon recommendation of the Commissioner of Internal Revenue and in coordination with the Secretary of Health, the Food and Drug Administration, the Bureau of Customs, and other concerned agencies, shall promulgate the rules and regulations necessary for the effective implementation of this Act. The rules shall include uniform procedures for registration, declarations, product classification, laboratory testing, sampling, rounding, audit, treatment of product reformulations, import verification, and payment of tax.

SEC. 9. Transition Period. — Collection of the taxes under Sections 150-B and 150-C as amended or created by this Act shall commence one (1) year from the effectivity of this Act. During the transition period, manufacturers and importers shall register covered products, submit required nutrient declarations, and may reformulate products without incurring the new or adjusted tax until the commencement date.

SEC. 10. Periodic Legislative Review. — Congress shall review the rates, nutrient thresholds, exclusions, revenue allocation, and administrative performance of this Act not later than three (3) years after commencement of collection and every three (3) years thereafter, taking into account the evaluation required under Section 7.

SEC. 11. Separability Clause. — If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in full force and effect.

SEC. 12. Repealing Clause. — All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with this Act are hereby repealed, amended, or modified accordingly.

SEC. 13. Effectivity. — This Act shall take effect fifteen (15) days following its complete publication in the Official Gazette or in a newspaper of general circulation.

Approved.