

Republic of the Philippines  
Congress of the Philippines  
Metro Manila  
Nineteenth Congress  
Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-second day of July, two thousand twenty-four.

[ REPUBLIC ACT No. **12079** ]

AN ACT CREATING A VAT REFUND MECHANISM FOR NON-RESIDENT TOURISTS, ADDING A NEW SECTION 112-A TO THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, FOR THE PURPOSE

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

SECTION 1. A new section designated as Section 112-A under Chapter I, Title IV of the National Internal Revenue Code, as amended, is hereby inserted to read as follows:

“SEC. 112-A. VAT Refund for Tourists. –

(a) A tourist shall be eligible for a VAT refund on locally purchased goods if the following requisites are present:

(1) The goods are purchased in person by the tourist in duly accredited stores;

(2) Such goods are taken out of the Philippines by the tourist within sixty (60) days from the date of purchase; and

(3) The value of goods purchased per transaction is equivalent to at least Three thousand pesos (P3,000.00): *Provided*, That such threshold shall be subject to review and adjustment every three (3) years by the Secretary of Finance, upon recommendation of the Commissioner of Internal Revenue, taking into consideration the Consumer Price Index (CPI) as published by the Philippine Statistics Authority (PSA).

(b) The Department of Finance shall engage the services of one (1) or more reputable, globally recognized, and experienced VAT refund operators to provide end-to-end solutions to the government for the establishment and operation of a VAT refund system for tourists.

(c) The refund under this section may be made either electronically or in cash.

(d) The amount necessary for the VAT refund system for tourists under this Code shall be charged against the special account in the General Fund as provided under Section 106 of this Code.

For purposes of this section, the term 'tourist' means a non-resident foreign passport holder."

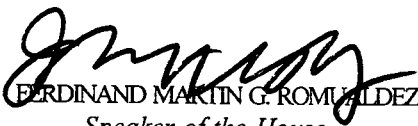
*SEC. 2. Implementing Rules and Regulations.* - Within ninety (90) calendar days from the effectivity of this Act, the Secretary of Finance shall, after due consultation with the Department of Trade and Industry, Department of Transportation, Department of Tourism, National Economic and Development Authority, Bureau of Internal Revenue, and Bureau of Customs, promulgate the necessary rules and regulations to faithfully implement the intent and provisions of this Act.

*SEC. 3. Separability Clause.* - If any provision of this Act is declared unconstitutional, the remaining parts or provisions not affected thereby shall remain in full force and effect.

SEC. 4. *Repealing Clause.* – All laws, decrees, executive orders, implementing rules and regulations, issuances, or any part thereof inconsistent with the provisions of this Act are deemed repealed, amended, or modified accordingly.

SEC. 5. *Effectivity.* – This Act shall take effect fifteen (15) days following its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,

  
FERDINAND MARTIN G. ROMUALDEZ

*Speaker of the House  
of Representatives*



FRANCIS "CHIZ" G. ESCUDERO  
*President of the Senate*

This Act was passed by the Senate of the Philippines as Senate Bill No. 2415 on September 23, 2024 and adopted by the House of Representatives as an amendment to House Bill No. 7292 on September 24, 2024.

  
REGINALD S. VELASCO

*Secretary General  
House of Representatives*



RENATO N. BANTUG JR.  
*Secretary of the Senate*

Approved: **DEC 06 2024**



  
FERDINAND ROMUALDEZ MARCOS JR.  
*President of the Philippines*



REPUBLIC OF THE PHILIPPINES



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