

SIXTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Second Regular Session)

Senate
Office of the Secretary

15 APR 22 P1:50

SENATE
S.B. No. 2729

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Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

**AN ACT AMENDING SECTION 150 OF REPUBLIC ACT 8424, OTHERWISE KNOWN AS THE
NATIONAL INTERNAL REVENUE CODE, AS AMENDED**

EXPLANATORY NOTE

Whether young or old, ingrained in the Filipino psyche and in our daily hygiene is the use of baby cologne.

In a survey of Filipino consumers, baby colognes ranked second only to shampoo in regular usage, placing it above powder, lotion, and hand sanitizers.¹

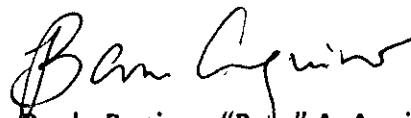
Further, 98% of the splash cologne consumers are from the economic classes C, D, and E with Class D taking up 54% of the market share.²

This Act aims to recognize splash cologne as an essential good, setting it apart from perfumes and other luxury fragrances by ascertaining the concentration of the essential oils or perfume in the product.

The proposed amendment is in line with the legal definition already set by Revenue Regulations No. 8 to 84.³

By aligning and streamlining the definition for baby cologne or "toilet water" and recognizing such as an essential good and taxing them accordingly, we will be able to protect our low-income households from unnecessary surges in prices of their inexpensive, but fragrant cologne, and at the same time, provide appropriate support to the baby cologne industry.

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



Senator Paolo Benigno "Bam" A. Aquino IV

¹ CCIP Legislative Position Paper: Page 7. Source: Myriad Tracking 2012.

² CCIP Legislative Position Paper: Page 6. Source: Adult USA

³ CCIP Legislative Position Paper: Page 3. Source: Revenue Regulations No. 8-84, 1977 Tax Code, Section 194.

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

1 **SECTION 1.** Section 150 of the National Internal Revenue Code, as amended, is hereby
2 further amended to read as follows:

3 "Sec. 150. *Non-essential Goods.* – There shall be levied, assessed and collected a tax
4 equivalent to twenty-percent (20%) based on the wholesale price or the value of
5 importation used by the Bureau of Customs in determining tariff and customs duties,
6 net of excise tax and value-added tax, of the following goods:

- 7 (a) XXX.
- 8 (b) Perfumes and toilet waters **WITH PERFUME/ESSENTIAL OIL CONTENT OF**
9 **MORE THAN THREE (3) PERCENT BY WEIGHT."**

10 **SECTION 2. *Implementing Rules and Regulations.*** – The Commissioner of the Bureau of
11 Internal Revenue shall, within thirty (30) days from the effectivity of this Act, issue the
12 necessary rules and regulations for the implementation of this Act.

13 **SECTION 3. *Separability Clause.*** – If any provision of this Act is subsequently declared
14 invalid or unconstitutional, other provisions hereof which are not affected thereby shall remain
15 in full force and effect.

16 **SECTION 4. *Repealing Clause.*** – All laws, decrees, orders, rules and regulations, and
17 other issuances, or parts thereof, inconsistent with the provisions of this Act are hereby
18 repealed or modified accordingly.

19 **SECTION 5. *Effectivity Clause.*** – This Act shall take fifteen (15) days after its publication
20 in the *Official Gazette* or in a newspaper of general circulation

21 Approved.