

15 DCT -7 A11 :20

SIXTEENTH CONGRESS OF THE REPUBLIC) **OF THE PHILIPPINES** Third Regular Session

SENATE S. No. 2987

RECEIVED BY

1

(In substitution of H. No. 5713, taking into consideration S.B. No. 2749)

)

)

Prepared by the Committees on Ways and Means; and Agriculture and Food with Senators Osmeña, Angara, and Villar as authors thereof

AN ACT AMENDING SECTION 109 (A) AND (F) OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED BY REPUBLIC ACT NO. 9337, AND FOR OTHER PURPOSES

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

1	SECTION 1. Section 109 (A) of the National Internal Revenue Code, as amended,
2	is hereby further amended to read as follows:
3	"SEC. 109. Exempt Transactions (1) Subject to the provisions of
4	subsection (2) hereof, the following transactions shall be exempt from the value-
5	added tax:
6	(A) Sale or importation of agricultural and marine food products in their
7	original state, livestock and poultry of a kind generally used as, or yielding or
8	producing foods for human consumption; and breeding stock and genetic
9	materials therefor.
10	Products classified under this paragraph shall be considered in their original
11	state even if they have undergone the simple processes of preparation or
12	preservation for the market, such as freezing, drying, salting, broiling,
13	roasting, smoking or stripping. Polished and/or husked rice, corn grits, RAW
14	SUGAR OR raw cane sugar and molasses, ordinary salt and copra shall be
15	considered in their original state;
16	"FOR PURPOSES OF THIS SECTION, THE TERM 'RAW SUGAR' MEANS
17	SUGAR WHOSE CONTENT OF SUCROSE BY WEIGHT, IN THE DRY
18	STATE, CORRESPONDS TO A POLARIMETER READING OF LESS THAN

1

199.5° AND THE TERM 'RAW CANE SUGAR' REFERS TO PARTIALLY2PURIFIED SUCROSE, WHICH IS CRYSTALLISED FROM PARTIALLY3PURIFIED CANE JUICE, WITHOUT FURTHER PURIFICATION, BUT4WHICH DOES NOT PRECLUDE CENTRIFUGATION OR DRYING, AND5WHICH IS CHARACTERIZED BY SUCROSE CRYSTALS COVERED WITH6A FILM OF CANE MOLASSES."

7

XXX

8 (F) Services by agricultural contract growers and milling for others of palay 9 into rice, corn into grits and sugar cane into raw sugar **OR RAW CANE** 10 **SUGAR**;"

SEC. 2. Implementing Rules and Regulations. - The Secretary of Finance, with the recommendation of the Commissioner of Internal Revenue, shall issue the implementing rules and regulations of this Act within ninety (90) days starting from the effectivity of this Act. *Provided*, That the failure of the concerned agencies to promulgate the said rules and regulations shall not prevent the implementation of this Act upon its effectivity.

16 SEC. 3. *Repealing Clause.* – All laws, acts, decrees, executive orders, issuances, 17 and rules and regulations or parts thereof which are contrary to and inconsistent with any 18 provision of this Act are hereby repealed, amended, or modified accordingly.

SEC. 4. Separability Clause. – If any provision of this Act is subsequently declared
unconstitutional, the validity of the remaining provisions hereof shall remain in full force and
effect.

22 **SEC. 5**. *Effectivity*. - This Act shall take effect immediately after its complete 23 publication either in the *Official Gazette* or in a newspaper of general circulation in the 24 Philippines.

25 Approved,