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SENATE
S. No. 2987

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(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**

