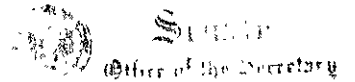


SIXTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Third Regular Session)



15 OCT -7 AM 10:20

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COMMITTEE REPORT NO 285

Prepared and submitted jointly by the Committees on Ways and Means; and Agriculture and Food on OCT 07 2015.

Re: Senate Bill No. 2987

Recommending its approval in substitution of House Bill No. 5713, and taking into consideration Senate Bill No. 2749.

Sponsors: Senators Osmeña, Angara, and Villar

MR. PRESIDENT:

The Committee on Ways and Means, jointly with the Committee on Agriculture and Food, to which were referred House Bill No. 5713, introduced by Reps. Jeffrey P. Ferrer, Romero "Miro" Quimbo, and Giorgidi B. Aggabao, entitled:

**"AN ACT
FURTHER AMENDING SECTION 109 OF THE NATIONAL
INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR
OTHER PURPOSES"**

and Senate Bill No. 2749, introduced by Senator Sergio R. Osmeña III, entitled:

**"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"**

have considered the same and have the honor to report them back to the Senate with the recommendation that the attached bill, Senate Bill No. 2987, prepared by the Committees, entitled:

**“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”**

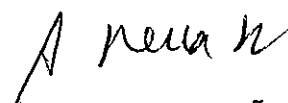
be approved in substitution of House Bill No. 5713 taking into consideration Senate Bill No. 2749 with Senators Osmeña, Angara, and Villar as authors thereof.

Respectfully submitted:



SONNY M. ANGARA
Chairperson
Committee on Ways and Means
Member, Committee on Agriculture and Food

CYNTHIA A. VILLAR
Chairperson
Committee on Agriculture and Food



SERGIO R. OSMEÑA III
Chairperson
Sub-committee on VAT Exemption on
Raw Sugar or Raw Cane Sugar

MIRIAM DEFENSOR SANTIAGO
Vice Chairperson
Committee on Ways and Means

GRACE L. POE
Vice Chairperson
Committee on Agriculture and Food

MEMBERS:



LOREN L. LEGARDA

*Member, Committee on Ways and Means
Member, Committee on Agriculture and Food*



PAOLO BENIGNO "BAM" AQUINO IV

*Member, Committee on Ways and Means
Member, Committee on Agriculture and Food*



ANTONIO "SONNY" F. TRILLANES IV

*Member, Committee on Ways and Means
Member, Committee on Agriculture and Food*

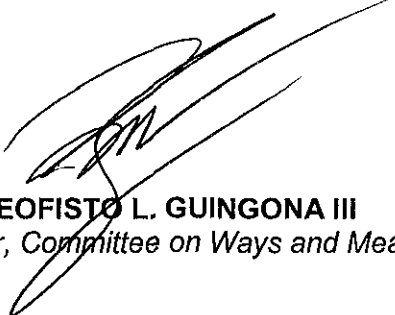
FRANCIS "CHIZ" G. ESCUDERO
Member, Committee on Ways and Means



AQUILINO "KOKO" PIMENTEL III

Member, Committee on Ways and Means

RAMON BONG REVILLA, JR.
Member, Committee on Ways and Means



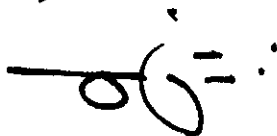
TEOFISTO L. GUINGONA III

Member, Committee on Ways and Means



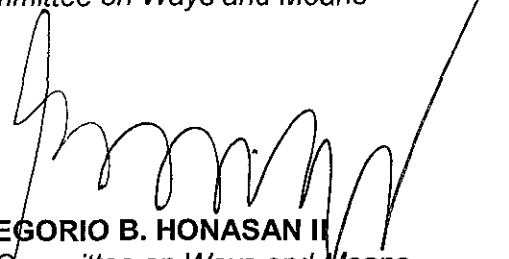
PIA S. CAYETANO

Member, Committee on Ways and Means



JOSEPH VICTOR G. EJERCITO

*Member, Committee on Ways and Means
Member, Committee on Agriculture and Food*



GREGORIO B. HONASAN II

*Member, Committee on Ways and Means
Member, Committee on Agriculture and Food*



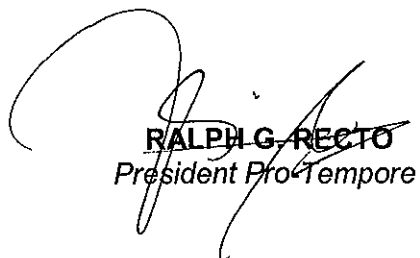
VICENTE C. SOTTO III

Member, Committee on Ways and Means

MARIA LOURDES NANCY S. BINAY
Member, Committee on Ways and Means

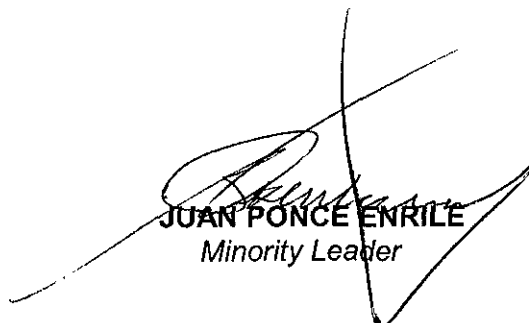
FERDINAND MARCOS
Member, Committee on Agriculture and Food

EX-OFFICIO MEMBERS:



RALPH G. RECTO
President Pro Tempore

ALAN PETER "COMPAÑERO" S. CAYETANO
Majority Leader
Vice Chairperson, Committee on Agriculture and Food

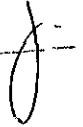


JUAN PONCE ENRILE
Minority Leader

Honorable FRANKLIN M. DRILON
Senate President

15 OCT -7 AM 12:20

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**

