

#### SIXTEENTH CONGRESS OF THE REPUBLIC) OF THE PHILIPPINES )

Third Regular Session

15 OCT -7 All :20

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### COMMITTEE REPORT NO. 285

Prepared and Food on	I submitted jointly by the Committees on Ways and Means; and Agriculture and OCT 0 7 2015
Re: Senate E	Bill No. <u>29</u> 87
	ng its approval in substitution of House Bill No. 5713, and taking into 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

**ÉERGIO R. OSMEÑA III** 

Chairperson Sub-committee on VAT Exemption on Raw Sugar or Raw Cane Sugar

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**MIRIAM DEFENSOR SANTIAGO** 

Vice Chairperson Committee on Ways and Means

**GRACE L. POE** 

Vice Chairperson
Committee on Agriculture and Food

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Member, Committee on Ways and Means Member, Committee on Agiculture and Food PAOLO BENIGNO "BAM" AQUINO IV

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Member, Committee on Ways and Means Member, Committee on Agiculture and Food

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Member, Committee on Ways and Means

**FERDINAND MARCOS** 

Member, Committee on Agiculture and Food

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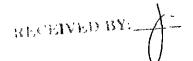
Senate President

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

Other of the Secretary

15 OCT -7 A11:20

**SENATE** S. No. **2987** 



(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:

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

99.5° AND THE TERM 'RAW CANE SUGAR' REFERS TO PARTIALLY
PURIFIED SUCROSE, WHICH IS CRYSTALLISED FROM PARTIALLY
PURIFIED CANE JUICE, WITHOUT FURTHER PURIFICATION, BUT
WHICH DOES NOT PRECLUDE CENTRIFUGATION OR DRYING, AND
WHICH IS CHARACTERIZED BY SUCROSE CRYSTALS COVERED WITH
A FILM OF CANE MOLASSES."

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(F) Services by agricultural contract growers and milling for others of palay into rice, corn into grits and sugar cane into raw sugar **OR RAW CANE 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.

- **SEC. 3.** Repealing Clause. All laws, acts, decrees, executive orders, issuances, and rules and regulations or parts thereof which are contrary to and inconsistent with any 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.
- SEC. 5. Effectivity. This Act shall take effect immediately after its complete publication either in the Official Gazette or in a newspaper of general circulation in the Philippines.
- 25 Approved,