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SENATE

S. B. No. 2163

Introduced by Senator Aquilino "Koko" Pimentel III

AN ACT EXEMPTING PETROLEUM PRODUCTS FROM VALUE-ADDED TAX, AMENDING FOR THE PURPOSE SECTION 109 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

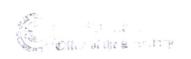
EXPLANATORY NOTE

Since the implementation of *Republic Act No. 10963*, or the "*Tax Reform for Acceleration and Inclusion (TRAIN)*" Law, fuel prices and the prices of other goods and commodities have steadily risen. While the uptick in inflation was anticipated, the sharp rise in global crude oil prices was not. As a result, Filipinos have had to contend with higher prices on both basic goods and transport.

As a means of easing the burden on the public, this bill proposes to exempt petroleum products from value-added tax. So as to retain some revenue for the government, excise tax on petroleum products shall still be imposed.

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

AQUILINO "KOKO" PIMENTEL III



SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)

19 JAN 21 P6:35

Third Regular Session

RECE:

SENATE S. B. No. <u>216</u>3

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Introduced by Senator Aquilino "Koko" Pimentel III

AN ACT EXEMPTING PETROLEUM PRODUCTS FROM VALUE-ADDED TAX, AMENDING FOR THE PURPOSE SECTION 109 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

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

SECTION 1. Section 109 of the National Internal Revenue Code 1 2 of 1997, as amended, is further amended to read as follows: 3 4 "SEC. 109. Exempt Transactions. — 5 (1) Subject to the provisions of Subsection (2) hereof, the 6 7 following transactions shall be exempt from the value-added tax: 8 9 X X X X X10 11 (AA) Sale of drugs and medicines prescribed for diabetes, high cholesterol, and hypertension beginning January 1, 2019; [and] 12 13 (BB) Sale or lease of goods or properties or the performance of 14 services other than the transactions mentioned in the preceding 15 paragraphs, the gross annual sales and/or receipts do not exceed 16

the amount of Three million pesos (P3,000,000); AND

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1	(CC) IMPORTATION OR SALE OF PETROLEUM
2	PRODUCTS.
3	
4	x x x x x."
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6	SEC. 2. Implementing Rules and Regulations. — Within thirty
7	(30) days from the effectivity of this Act, the Secretary of Finance
8	shall, upon the recommendation of the Commissioner of Internal
9	Revenue, promulgate the rules and regulations necessary for its
10	effective implementation.
11	
12	SEC. 3. Repealing Clause. — All laws, rules and regulations, or
13	parts thereof that are inconsistent with this Act are hereby repealed,
14	amended, or modified accordingly.
15	
16	SEC. 4. Effectivity Clause. — This Act shall take effect fifteen
17	(15) days after its complete publication in two (2) newspapers of general
18	circulation.

Approved,