

Chapter V

EXCISE TAXES²⁴³

A. GENERAL PROVISIONS

1. The excise tax based on weight, volume capacity or any other physical unit of measurement is referred to as “*specific tax*”; if based on selling price or other specified value is referred to as “*ad valorem*” tax. The excise tax shall be in addition to VAT.²⁴⁴
2. The gross selling price of goods subject to *ad valorem* tax is the price, excluding VAT, at which the goods are sold at wholesale in the place of production or through their sales agent to the public.²⁴⁵
3. Excise tax on domestic goods shall be paid by the manufacturer or producer thereof before the removal of such goods from the place of production, except on indigenous petroleum, locally extracted natural gas and liquefied natural gas which shall be paid by the first buyer, purchaser or transferee for local sale, barter or transfer, while the excise tax on exported products shall be paid by the owner, lessee, concessionaire or operator of the mining claim.²⁴⁶

²⁴³ Title VI, NIRC, as amended by RAs 8240, 9224, 9334, 9337 and 10351.

²⁴⁴ Sec. 129, *supra*.

²⁴⁵ Sec. 130, *supra*.

²⁴⁶ Sec. 130, *supra*.

4. Should domestic products be removed from the place of production without the payment of the tax, the owner or person having possession thereof shall be liable for the tax due thereon.²⁴⁷
5. Every person liable to pay excise tax shall file a separate return for each place of production setting forth, among others, the description and quantity or volume of products to be removed, the applicable tax base and the amount of tax due thereon. The return may be filed with, and the tax may be paid to, any authorized agent bank or Revenue Collection Officer, or duly authorized City or Municipal Treasurer in the Philippines.
6. Any excise tax paid on domestic products actually exported in their original state or as ingredients or parts of any manufactured goods is allowed to be credited or refunded upon submission of proof of actual exportation and upon receipt of the corresponding foreign exchange payment. However, the excise tax on mineral products, except coal and coke, is not allowed to be credited or refunded even if the mineral products are actually exported.²⁴⁸
7. Manufacturers or producers of articles subject to excise taxes are required to file with the BIR Commissioner a sworn statement showing, among other information, the different goods or products manufactured or produced and their corresponding gross selling price or market value, together with the cost of manufacture or production plus expenses incurred or to be incurred until the goods or products are finally sold.²⁴⁹

²⁴⁷ Sec. 130(A)(1), *supra*. It is noted that possessors of metallic minerals must be able to show proof that the excise tax has been paid thereon, otherwise, they shall be assessed and be held liable for the payment thereof. Metallic minerals discovered in the possession of persons who cannot show proof of payment of excise taxes thereon are presumed to have been removed on the day of discovery.

²⁴⁸ *Ibid.*

²⁴⁹ Sec. 130(c), *supra*. Refer to Sec. 7 of RR 17-2012 for the information needed in the submission of sworn statement of manufacturer or importer of alcohol and tobacco products.

8. On the other hand, excise tax on imported articles shall be paid by the owner or importer to the Customs Officers, conformably with the regulations of the Department of Finance and before the release of such articles from the customshouse, or by the person who is found in possession of articles which are exempt from excise taxes other than those legally entitled to exemption.²⁵⁰
9. In the case of tax-free articles brought or imported into the Philippines by persons, entities, or agencies exempt from tax which are subsequently sold, transferred or exchanged in the Philippines to non-exempt persons or entities, the purchasers or recipients shall be considered the importers thereof, and shall be liable for the duty and internal revenue tax due on such importation.²⁵¹
10. Notwithstanding the provisions of RAs 9400 and 9593, importations of cigars and cigarettes, distilled spirits, fermented liquors and wines made directly by a government-owned and operated duty-free shop, like the Duty-Free Philippines (DFP), shall be exempted from all applicable duties only.²⁵²
11. All importations and removals from place of production of cigarettes shall be affixed with the internal revenue stamps prescribed under RR 7-2014, as amended by RR 9-2015. Likewise, all concerned importers and local manufacturers of cigarettes shall enroll with the Internal Revenue Stamp Integrated System (IRSIS) for the ordering, distribution and monitoring thereof.²⁵³
12. As an additional export and import requirements for tobacco products, no tobacco products manufactured in the Philippines and produced for export shall be removed from their place of manufacture or exported without posting of an export bond equivalent to the amount of the excise tax due thereon if sold domestically; provided, however, that tobacco products for export may be transferred from

²⁵⁰ Sec. 131, *supra*.

²⁵¹ *Ibid*.

²⁵² Sec. 12, RR 3-2006.

²⁵³ Sec. 9 and 13, RR 7-2014, as amended by RR 9-2015.

the place of manufacture to a bonded facility, upon posting of a transfer bond, prior to export.²⁵⁴

13. Likewise, tobacco products imported into the Philippines and destined for foreign countries shall not be allowed entry without posting a bond equivalent to the amount of customs duty, excise and value-added taxes due thereon if sold domestically.²⁵⁵
14. The following articles shall be exempt from the excise tax:²⁵⁶
 - a. Partially manufactured leaf tobacco and leaf tobacco wastes, provided, that the same are to be directly exported by the owner thereof or to be used by the transferee or buyer as raw materials in the manufacture of cigars, cigarettes or other exciseable tobacco products on which the excise tax will eventually be paid on the finished product.²⁵⁷
 - b. Sale or importation²⁵⁸ of an alcohol or tobacco product to/by international airline/vessel in case there is a provision under their charter or international treaties or agreements which the Philippines is a signatory that exempts international airlines/vessels from excise tax on alcohol or tobacco products.²⁵⁹

²⁵⁴ Sec. 10, RR 17-2012

²⁵⁵ *Ibid.*

²⁵⁶ The BIR issued RR 3-2008 with regard to the granting of outright excise tax exemption on removals of exciseable articles intended for export or sale/delivery to international carriers or to tax-exempt entities/agencies and prescribing the provisions for availing of claims for product replenishment.

²⁵⁷ Sec. 11, RR 3-2006.

²⁵⁸ *Importation* shall refer to the introduction of an alcohol or tobacco product from a foreign country into the Philippine custom's territory or into a duly chartered economic and freeport zones and duty-free shops, whether for sale or not. Any alcohol or tobacco product entering the Philippines through the freeport and special economic zones shall be deemed to have entered the Philippine customs' territory upon unloading thereof from the carrying vessel. [Sec. 2(n), RR 3-2006]

²⁵⁹ Sec. 13, RR 3-2006.

- c. Removal of ethyl alcohol from distilleries for purposes other than the manufacture of compounded liquors²⁶⁰ such as for use as blending component for gasoline under RA 9367, otherwise known as the “Biofuel Act of 2006”, or for industrial and pharmaceutical purposes.²⁶¹
- d. Distilled spirits such as, but not limited to, ethyl alcohol, removed from the place of production for purposes of rectification by another establishment.²⁶²
- e. Locally extracted natural gas and liquefied natural gas²⁶³
- f. Petroleum products sold to:²⁶⁴
 - (1) International carriers of Philippine or foreign registry on their use or consumption outside the Philippines.²⁶⁵

²⁶⁰ “*Compounded liquors*” shall refer to intoxicating beverages whatever concocted by or resulting from mixture of or addition to distilled spirits, either before or after rectification, of any coloring matter, flavoring extract or essence or other kind of wine, liquor or other ingredients. [Sec. 2(d), RR 17-2012]

²⁶¹ RMC 18-2013.

²⁶² The removal of ethyl alcohol or ethanol from distilleries for purposes of rectification shall be conditionally tax-exempt and the excise tax due on the rectified alcohol shall be paid by the rectifier pursuant to the provisions of Sec. 137 of the NIRC of 1997, as amended and implementing rules and regulations thereof. In case the rectifier shall remove and deliver the rectified alcohol to manufacturers of compounded liquors, such removal shall not be subject to excise tax provided that a surety bond in an amount similar to that provided above for distilleries shall have been posted by the rectifier. (RMC 18-2013)

On the other hand, the term *rectification* shall refer to the process of refining, purifying or enhancing the quality of ethyl alcohol only by distillation. (Sec. 14, RR 3-2006)

²⁶³ Sec. 151(A)(2), *supra*, as amended by RA 9337.

²⁶⁴ Sec. 135, *supra*.

²⁶⁵ Provided, that the petroleum products sold to these international carriers shall be stored in a bondage storage tank and may be disposed of only in accordance with the rules and regulations to be prescribed by the Secretary of Finance, upon recommendation of the Commissioner. [Sec. 135(a), *supra*]

- (2) Exempt entities or agencies covered by tax treaties, conventions and other international agreements for their use or consumption.²⁶⁶
 - (3) Entities which are by law exempt from direct and indirect taxes.
- g. Removals of locally manufactured/assembled or release of imported automobiles from the place of production or from customs' custody subject to the following conditions:²⁶⁷
- (1) On locally manufactured/assembled automobiles which shall be removed for exportation and are actually exported without returning to the Philippines;²⁶⁸
 - (2) Sale of manufacturers/assemblers or importers of automobiles to tax-exempt persons or entities, and removals of imported automobiles from customs' custody by tax-exempt persons or entities subject to existing rules and regulations;²⁶⁹
 - (3) Automobiles imported directly into the legislated Freeport zones from abroad or purchased from establishments located within the customs territory for use exclusively within the Freeport zone; and

²⁶⁶ Provided, however, that the country of said foreign international carrier or exempt entities or agencies exempts from similar taxes petroleum products sold to Philippine carriers, entities or agencies. [Sec. 135(b), *supra*]

²⁶⁷ Sec. 9, RR 25-2003.

²⁶⁸ This is subject to the following conditions: (i) application of a permit to export immediately before removal; (ii) direct delivery to vessel; (iii) submission of proof of exportation; and (iv) payment of an exporter's bond, when deemed necessary. [Sec. 9(a), RR 25-2003]

²⁶⁹ No automobiles shall be removed from the assembly plant or place of production or release from customs custody for sale to tax-exempt agencies without prior written approval from the Commissioner of Internal Revenue. [Sec. 9(b)(2), RR 25-2003]

- (4) Removal of automobiles for test run. However, should an automobile be removed for test run, prior notice of the test run should be given to the appropriate BIR Office that may allow the test run; provided, that the unit under the test run shall be returned to the plant the same day. [Sec. 9(d), RR 25-2003]
- h. Sale/delivery of exciseable articles to embassies, legates such as the Office of the Papal Nuncio, or international organizations (i.e. Asian Development Bank, International Rice Research Institute, United Nations' various international organizations such as World Health Organization, UNICEF, etc.) subject to certain conditions.

B. COMMODITIES SUBJECT TO EXCISE TAXES

The following exciseable articles are also subject to VAT, viz.

1. *Alcohol Products*

- a. **Distilled Spirits,**²⁷⁰ per proof liter²⁷¹

²⁷⁰ Sec. 141, *supra*. "*Spirits or distilled spirits*" is the substance known as ethyl alcohol, ethanol or spirits of wine, including all dilutions, purifications and mixtures thereof, from whatever source, by whatever process produced, and shall include whisky, brandy, rum, gin and vodka, and other similar products or mixtures.

²⁷¹ A *proof liter* means a liter of proof spirits, which is liquor containing one-half (½) of its volume of alcohol of a specific gravity of 0.7939 at 15°C. (Sec. 141, *supra*)

Article	Tax Rates ²⁷²					
	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016	Effective January 1, 2017	2018 Onwards

(1) Distilled spirits

(a) Ad valorem tax	15%	15%	20%	20%	20%	20%
Based on the net retail price (NRP) ²⁷³ per proof (excluding the excise tax and VAT)						
(b) Specific tax	PhP20.00	PhP20.00	PhP20.00	PhP20.80	PhP21.63	Effective
Per proof liter						01-01-16, the specific tax rate shall be increased by 4% every year thereafter

(2) Medicinal preparations, flavoring extracts, and all other preparations, except toilet preparations, of which, excluding water, distilled spirits form the chief ingredient	Same tax as chief ingredient
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²⁷² Sec. 3(A)(1), RR 17-2012.

²⁷³ The net retail price (NRP) shall be determined by the BIR through a price survey under oath. It shall mean the price at which the distilled spirits is sold on retail in at least five (5) major supermarkets in Metro Manila, excluding the amount intended to cover the applicable excise tax and the VAT. For distilled spirits which are marketed outside Metro Manila, the NRP shall mean the price at which the distilled spirits is sold in at least five (5) major supermarkets in the region excluding the amount intended to cover the applicable excise tax and the VAT. (Sec. 141, *supra*)

Distilled spirits introduced in the domestic market after the effectivity of RA 10351 shall be initially taxed according to their suggested NRPs²⁷⁴.

All distilled spirits existing in the market at the time of the effectivity of RA 10351 shall be taxed according to the tax rates provided above based on the latest price survey of the distilled spirits conducted by the BIR.

b. Wines, per liter of volume capacity²⁷⁵

Article	Tax Rates ²⁷⁶					
	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016	Effective January 1, 2017	2018 Onwards

- (1) Sparkling wines/ champagnes,²⁷⁷ where the NRP (excluding the excise tax and VAT) per bottle of 750ml volume capacity, regardless of proof is:

²⁷⁴ “Suggested net retail price (NRP)” shall mean the NRP at which the locally manufactured or imported distilled spirits are intended by the manufacturer or importer to be sold on retail in major supermarkets or retail outlets in Metro Manila for those marketed nationwide, and in other regions, for those with regional markets. (Sec. 141, *supra*)

²⁷⁵ Sec. 142, *supra*.

²⁷⁶ Sec. 3(A)(2), RR 17-2012.

²⁷⁷ “Sparkling wine or champagne” shall refer to an effervescent wine containing more than 0.392 grams of carbon dioxide per 100 milliliters of wine resulting solely from the secondary fermentation of the wine within a closed container. [Sec. 2(f), RR 17-2012]

Article	Tax Rates					2018 Onwards
	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016	Effective January 1, 2017	
Php500.00 or less More than Php500.00	PhP250.00	PhP260.00	PhP270.40	PhP281.22	PhP292.47	Effective 01-01-14, the specific tax rate shall be increased by 4% every year thereafter
(2) Still wines ²⁷⁸ and carbonated wines ²⁷⁹ containing 14% of alcohol by volume or less	PhP30.00	PhP31.20	PhP32.45	PhP33.75	PhP35.10	
(3) Still wines and carbonated wines containing more than 14% of alcohol by volume but not more than 25% of alcohol by volume	PhP60.00	PhP62.40	PhP64.90	PhP67.50	PhP70.20	
(4) Fortified wines ²⁸⁰ containing more than 25% of alcohol by volume	Taxed as distilled spirits					

²⁷⁸ “*Still wine*” shall refer to wine containing not more than 0.392 of carbon dioxide per 100 milliliters of wine. [Sec. 2(g), RR 17-2012]

²⁷⁹ “*Carbonated wine*” shall refer to an effervescent wine artificially charge with carbon dioxide and containing more than 0.392 of carbon dioxide per 100 millimeters of wine. [Sec. 2(b), RR 17-2012]

²⁸⁰ “*Fortified wines*” shall mean natural wines to which distilled spirits are added to increase their alcohol strength. (Sec. 142, *supra*)

Sparkling wines/champagnes introduced in the domestic market after the effectivity of RA 10351 shall be initially tax classified according to their suggested NRPs²⁸¹.

The proper tax classification of sparkling wines/champagnes, whether registered before or after the effectivity of RA 10351, shall be determined every two (2) years from the date of effectivity of RA 10351.

All sparkling wines/champagnes existing in the market at the time of the effectivity of RA 10351 shall be classified according to the NRPs and the tax rates provided above based on the latest price survey of the sparkling wine/champagnes conducted by the BIR.

c. Fermented Liquor,²⁸² per liter of volume capacity²⁸³

Article	Tax Rates ²⁸⁴					
	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016	Effective January 1, 2017	2018 Onwards

- (1) If the NRP²⁸⁵ (excluding the excise tax and VAT) per liter of volume capacity is:

²⁸¹ Sec. 142, *supra*.

²⁸² Shall include beer, lager beer, ale, porter, and other fermented liquors except, tuba, basi, tapuy and similar fermented liquors.

²⁸³ Sec. 143, *supra*.

²⁸⁴ Sec. 3(A)(3), RR 17-2012.

²⁸⁵ Sec. 143, *supra*.

Article	Tax Rates					2018 Onwards
	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016	Effective January 1, 2017	
Less than Php50.60	PhP15.00	PhP17.00	PhP19.00	PhP21.00	PhP23.50	Effective 01-01-18, the specific tax rate shall be increased by 4% every year thereafter
More than Php50.60	PhP20.00	PhP21.00	PhP22.00	PhP23.00	PhP23.50	
(2) If brewed and sold at microbreweries or small establishments such as pubs and restaurants, regardless of the NRP	PhP28.00	PhP29.12	PhP30.28	PhP31.50	PhP32.76	Effective 01-01-14, the specific tax rate shall be increased by 4% every year thereafter

Any downward reclassification of present categories, for tax purposes, of fermented liquors duly registered at the time of the effectivity of RA 10351 which will reduce the tax imposed herein, or the payment thereof, shall be prohibited. In this regard, the provision for the four percent (4%) increase every year thereafter effective January 1, 2018²⁸⁶ shall apply to their respective applicable tax rates.

Fermented liquors introduced in the domestic market after the effectivity of RA 10351 shall be initially tax classified according to their suggested NRPs²⁸⁷.

²⁸⁶ It is noted, however, that under Sec. 5 of RR 17-2012, the applicable tax rate for fermented liquors that are affected by the no downward classification provision shall be increased by 4% annually starting January 1, 2014.

²⁸⁷ Sec. 142, *supra*.

The proper tax classification of fermented liquors, whether registered before or after the effectivity of RA 10351, shall be determined every two (2) years from the date of the effectivity of RA 10351.

All fermented liquors existing in the market at the time of the effectivity of RA 10351 shall be classified according to the NRPs and the tax rates provided above based on the latest price survey of the fermented liquors conducted by the BIR.

2. Tobacco Products

a. Tobacco products, per kilogram²⁸⁸

Article	Tax Rates ²⁸⁹					2018 Onwards
	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016	Effective January 1, 2017	
(1) Tobacco twisted by hand or reduced into a condition to be consumed in any manner other than the ordinary mode of drying and curing	PhP1.75	PhP1.82	PhP1.89	PhP1.97	PhP2.05	Effective 01-01-14, the specific tax rate shall be increased by 4% every year thereafter
(2) Tobacco prepared or partially prepared with or without the use of any machine or instrument or without being pressed or sweetened	PhP1.75	PhP1.82	PhP1.89	PhP1.97	PhP2.05	

²⁸⁸ Sec. 144, *supra*.

²⁸⁹ Sec. 3(B)(1), RR 17-2012.

Article	Tax Rates					2018 Onwards
	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016	Effective January 1, 2017	
(3) Fine-cut shorts and refuse, scraps, clippings, cuttings, stems and sweepings of tobacco	PhP1.75	PhP1.82	PhP1.89	PhP1.97	PhP2.05	Effective 01-01-14, the specific tax rate shall be increased
(4) Tobacco specially prepared for chewing so as to be unsuitable for use in any other manner	PhP1.50	PhP1.56	PhP1.62	PhP1.68	PhP1.75	by 4% every year thereafter

b. Cigars, per cigar²⁹⁰

Article	Tax Rates					2018 Onwards
	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016	Effective January 1, 2017	
(1) Ad valorem tax Based on NRP per cigar (excluding the excise tax and VAT)	20%	20%	20%	20%	20%	
(2) Specific tax Per cigar	PhP5.00	PhP5.20	PhP5.41	PhP5.62	PhP5.85	Effective 01-01-14, the specific tax rate shall be increased by 4% ²⁹¹

²⁹⁰ Sec. 145, *supra*.

²⁹¹ Under RA 10351 there is no mention of an increase of 4% in specific tax every year effective January 1, 2014. However, under RR 17-2012, the said specific tax was increased by 4% every year effective January 1, 2014, i.e. 2015 (PhP5.41); 2016 (PhP5.62); 2017 (PhP5.85) and 4% onwards.

c. Cigarettes, per pack²⁹²

Article	Tax Rates ²⁹³					
	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016	Effective January 1, 2017	2018 Onwards
(1) Packed by Hand ²⁹⁴	PhP12.00	PhP15.00	PhP18.00	PhP21.00	PhP30.00	Effective 01-01-18, the specific tax rate shall be increased by 4% every year thereafter
(2) Packed by Machine If the NRP ²⁹⁵ (excluding the excise and VAT) per pack is:						
PhP11.50 and below	PhP12.00	PhP17.00	PhP21.00	PhP25.00	PhP30.00	Effective 01-01-18,
More than PhP11.50	PhP25.00	PhP27.00	PhP28.00	PhP29.00	PhP30.00	the specific tax rate shall be increased by 4% every year thereafter

²⁹² Sec. 145, *supra*.

²⁹³ Sec. 3(B)(4) and (5), RR 17-2012.

²⁹⁴ “Cigarettes packed by hand” shall refer to the manner of packaging of cigarette sticks using an individual person’s hands and not through any other means such as a mechanical device, machine or equipment. [Sec. 2(c), RR 17-2012]

²⁹⁵ Sec. 145, *supra*.

Duly registered cigarettes whether packed by hand or packed by machine shall only be packed by twenties and other packaging combinations of not more than 20 sticks.²⁹⁶

Cigarettes introduced in the domestic market after the effectivity of RA 10351 shall be initially tax classified according to their suggested NRPs²⁹⁷.

The proper tax classification of cigarettes, whether registered before or after the effectivity of RA 10351, shall be determined every two (2) years from the date of the effectivity of RA 10351.

All cigarettes existing in the market at the time of the effectivity of RA 10351 shall be classified according to the NRPs and the tax rates provided above based on the latest price survey of cigarettes conducted by the BIR.

3. Petroleum Products²⁹⁸

a. Manufactured Oils and Other Fuels²⁹⁹

²⁹⁶ Provided, that, in case of cigarettes packed in not more than 20 sticks, whether in 5 sticks, 10 sticks, and other packaging combinations below 20 sticks, the NRP of each individual package of 5s, 10s, etc. shall be the basis of imposing the tax rate prescribed under RA 10351. (Sec. 11, RR 17-2012)

²⁹⁷ Sec. 145, *supra*.

²⁹⁸ The BIR issued RR 2-2012 prescribing for the tax administration treatment of petroleum and petroleum products imported into the Philippines, including those coming in through Freeport Zone or Economic Zones and registration of all storage tanks, facilities, depots and terminals.

²⁹⁹ Sec. 148, *supra*.

Article	Rate
(1) Lubricating oils and greases including but not limited to base stock for lube oils and greases, and additives, per liter and kilogram, respectively	PhP 4.50
(2) Processed gas, per liter of volume capacity	PhP 0.05
(3) Waxes and petrolatum, per kilogram	PhP 3.50
(4) Denatured alcohol to be used for motive power, per liter of volume capacity ³⁰⁰	PhP 0.05
(5) Naphtha, regular gasoline and other similar products of distillation	PhP 4.35 ³⁰¹
Naphtha, when used as a raw material in the production of petrochemical products or as replacement fuel for natural gas-fired combined cycle power plant, in lieu of locally-extracted natural gas during the non-availability thereof, subject to the rules to be promulgated by the Secretary of Energy in consultation with the Secretary of Finance.	PhP 0.00
(6) Premium gasoline	
Leaded	PhP5.35
Unleaded	PhP4.35
(7) Aviation turbo jet fuel	PhP3.67
(8) Kerosene	PhP0.00 ³⁰²

³⁰⁰ For purposes of the imposition of the excise tax rate of PhP0.05 per liter under Section 148 (d) of the Tax Code, as amended, the bioethanol product shall have been denatured before the release thereof from the customs custody, in case of importation; or before removal thereof from the place of production, in case of locally manufactured bioethanol, subject to the succeeding provisions of RR 8-2006. [Sec. 4 par. 2, RR 8-2006]

³⁰¹ Reduced from PhP4.80 to PhP4.35 under RA 9337.

³⁰² Reduced from PhP0.60 to PhP0.00 under RA 9337.

Article	Rate
(9) Diesel fuel oil, and on similar fuel oils having more or less the same generating power	PhP0.00 ³⁰³
(10) Liquefied petroleum gas	PhP0.00
Liquefied petroleum gas used for motive power	Taxed as diesel oil
(11) Asphalts, per kilogram	PhP0.56
(12) Bunker fuel oil, and on similar fuel oils having more or less the same generating power	PhP0.00 ³⁰⁴

4. *Miscellaneous Articles*

a. **Non-essential goods**, based on wholesale price, net of excise tax and VAT³⁰⁵

Article	Rate
(1) Jewelry, whether real or imitation, pearls, precious and semi-precious stones and imitations thereof; good made of, or ornamented, mounted or fitted with, precious metals or imitations thereof of ivory (not including surgical and dental instruments, silver plated wares, frames or mountings for spectacles or eyeglasses, and	20%

³⁰³ Reduced from PhP1.63 to PhP0.00 under RA 9337.

³⁰⁴ Reduced from PhP0.30 to PhP0.00 under RA 9337.

³⁰⁵ Sec. 150, *supra*. On imported items, the tax shall be based on the value of importation used by the Bureau of Customs in determining tariff and customs duties, net of excise tax and VAT.

Article	Rate
dental gold or gold alloys and other precious metals used in filling, mounting or fitting of the teeth); except jewelries manufactured by qualified jewelry enterprises under RA 8502; opera glasses and lorgnettes	
(2) Perfume and toilet waters	20%
(3) Yachts and other vessels intended for pleasure or sports	20%

b. Automobiles, based on the manufacturer's or importer's selling price, net of excise and value-added taxes³⁰⁶

Article	Rate
Net manufacturer's price/importer's selling price	
Up to PhP600 Thousand	2%
Over PhP600 Thousand to PhP1.1 million	PhP12, 000 + 20% of value in excess of PhP600 thousand

³⁰⁶ Sec. 149, *supra*, as amended by RA 9224. The brackets reflecting the manufacturer's price or importer's selling price, net of excise and value-added taxes, will be indexed by the Secretary of Finance once every two (2) years if the change in the exchange rate of the Philippine peso against the United States (U.S.) dollar is more than 10% from the date of the effectivity of this Act, in the case of initial adjustment and from the last revision date in the case of subsequent adjustments.

"*Automobile*" shall mean any four (4) or more wheeled motor vehicle regardless of seating capacity, which is propelled by gasoline, diesel, electricity or any other motive power. Buses, trucks, cargo vans, jeeps/jeepneys/jeepney substitutes, single cab, chassis, and special-purpose vehicles shall not be considered as automobiles.

Article	Rate
Over PhP1.1 Million to PhP2.1 Million	PhP112, 000 + 40% of value in excess of PhP1.1 Million
Over PhP2.1 Million	PhP512,000 + 60% of value in excess of PhP2.1 Million

5. Mineral Products³⁰⁷

a. Per metric ton

Article	Rate
Coal and coke, per metric ton	PhP10.00

b. Based on the actual market value³⁰⁸ of the annual gross output at the time of removal³⁰⁹

Article	Rate
(1) Non-metallic minerals and quarry resources	2%

³⁰⁷ Sec. 151, *supra*.

³⁰⁸ For purposes of the excise tax on the sale of gold, “*actual market value*” shall refer to the prices competitive with those prevailing in the world market regardless of the volume or weight by which the BSP has agreed to buy the gold. (Sec. 4, RR 7-2008)

³⁰⁹ Sec. 151, *supra*., as amended by RA 7729. On imported products, the tax shall be based on the value used by the Bureau of Customs in determining tariff and customs duties, net of excise tax and VAT.

Article	Rate
(2) Metallic minerals (copper and other metallic minerals, and gold and chromite) ³¹⁰	2%
(3) Indigenous petroleum, based on the fair international market place ³¹¹	3%

C. TOBACCO INSPECTION FEES³¹²

The following fees are collected for the inspection of the following articles:

Article	Rate
(1) Cigars, per thousand or fraction thereof	PhP0.50
(2) Cigarettes, per thousand or fraction thereof	PhP0.10
(3) Leaf tobacco, per kilogram or fraction thereof	PhP0.02
(4) Scrap and other manufactured tobacco, per kilogram or fraction thereof	PhP0.03



³¹⁰ Refer to RR 6-2012 for the clarification of the taxability of sale of gold and other metallic minerals to Bangko Sentral ng Pilipinas and other persons or entities.

³¹¹ Sec. 151(4), *supra*. Pending promulgation of guidelines to determine the fair international market price of indigenous petroleum, the tax base in computing the excise tax due thereon shall be the contract price in an arms-length transaction between the petroleum producer and the buyer including freight and insurance premium covering the transportation of the indigenous petroleum to the domestic refineries.

³¹² Sec. 146, *supra*.