

AN ACT FURTHER AMENDING SECTION 149 SUB-PARAGRAPH (b) OF THE NATIONAL INTERNAL REVENUE CODE AND FOR OTHER PURPOSES.

BATAS PAMBANSA BLG. 81, September 17, 1980

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Be it enacted by the Batasang Pambansa in session assembled:

SECTION 1. Section 149 (b) of the National Internal Revenue Code of 1977, as amended, is hereby further amended to read as follows:

"(b) Cigarettes—

"(1) On cigarettes packed in thirties, the retail price of which per pack does not exceed ninety centavos, on each thousand, three pesos;

"(2) On cigarettes packed in thirties, the retail price of which per pack exceeds ninety centavos but does not exceed one peso and twenty-five centavos, on each thousand, five pesos;

"(3) On cigarettes packed in thirties, the retail price of which per pack exceeds one peso and twenty-five centavos, on each thousand, eight pesos;

" (4) On cigarettes packed in twenties, the retail price of which per pack does not exceed one peso and forty-five centavos, on each thousand, fourteen pesos;

"(5) On cigarettes packed in twenties, the retail price of which exceeds one peso and forty-five centavos but does not exceed one peso and seventy-five centavos, on each thousand, twenty pesos;

"(6) On cigarettes packed in twenties, the retail price of which exceeds one peso and seventy-five centavos but does not exceed two pesos and five centavos, on each thousand, twenty-two pesos;

"(7) On cigarettes packed in twenties, the retail price of which exceeds two pesos and five centavos but does not exceed two pesos and forty centavos, on each thousand, twenty-five pesos;

"(8) On cigarettes packed in twenties, the retail price of which exceeds two pesos and forty centavos but does not exceed two pesos and eighty-five centavos, on each thousand, thirty-seven pesos;

"(9) On cigarettes packed in twenties, the retail price of which exceeds two pesos and eighty-five centavos but does not exceed three pesos and thirty-five centavos, on each thousand, forty-five pesos;

"(10) On cigarettes packed in twenties, the retail price of which exceeds three pesos and thirty-five centavos, on each thousand, fifty-five pesos;

"(11) If the cigarettes of local manufacture are of foreign brands or trademarks and being manufactured locally under licensing agreements with the foreign brand or trademark owners, the tax shall be increased by fifty per centum per thousand: Provided, That any subsequent transfer or alienation of title or right over a cigarette brand or trademark by a foreign owner to a local manufacturer in whatever manner, form or description shall not affect the rates of tax then prevailing after the effectivity of this Code: Provided, further, That the

maximum retail price per pack of cigarettes subject to the surcharge of fifty per centum may be increased beyond the price bracket range for the corresponding category of cigarettes not subject to the surcharge, but such increase shall not exceed the amount of the surcharge applicable to a pack of cigarettes within the same category;

"(12) If the cigarettes are of foreign manufacture, regardless of the retail price or contents per pack, on each thousand, eighty-seven pesos.

"Nothing under the foregoing subparagraph (b) shall be deemed to allow a downward reclassification for tax purposes of any existing brand of cigarettes whenever there is a change in the tax rates or retail price ceilings thereof.

"Cigarettes subject to tax at lower rates before the effectivity of the new tax rates herein prescribed shall automatically be subject to the corresponding higher rates and there is nothing under this sub-section (b) which allows any downward reclassification of tax rates for existing brands of cigarettes duly registered at the time the herein rates become effective.

"Duly registered and/or existing brands of cigarettes packed in twenties at the time of the new rates herein prescribed shall not be allowed to be packed in thirties.

"The maximum price at which the various classes of cigars are sold at wholesale in the factory or in the establishment of the importer to the public shall determine the rate of the tax applicable to such cigars; and if the manufacturer or importer also sells, or allows to be sold, his cigars at wholesale in another establishment of which he is the owner or in the profits of which he has an interest, the maximum sale price in such establishment shall determine the rate of the tax applicable to the cigars therein sold: Provided, however, That when such maximum wholesale price is less than the cost of manufacture or importation plus all expenses incurred until the cigars are finally sold by the manufacturer or importer, such cost plus expenses shall determine the amount of tax to be applied.

"Every manufacturer or importer of cigars shall file with the Commissioner, on the date or dates designated by the latter, a sworn statement showing the maximum wholesale prices of cigars, together with the cost of manufacture or importation plus expenses incurred or to be incurred until the cigars are finally sold and it shall be unlawful to sell said cigars at wholesale at a price in excess of the one specified in the statement required by this Title without previous written notice to said Commissioner. In the case of imported cigars, the sworn statement required herein shall be accompanied by verified sales invoices of the manufacturers of the cigars as well as the consular invoice issued by a Philippine Consul, should one be available at the place of origin or shipment.

"Every manufacturer or importer of cigarettes shall file with the Commissioner, on the date or dates designated by the latter, and as often as may be required, a sworn statement showing, among other information, the brand or brands of cigarettes manufactured or imported; the approved maximum retail prices per pack of said cigarettes. In the case of imported cigarettes, the sworn statement required herein shall, in addition to the above information, be accompanied by a verified commercial invoice of the manufacturer of the cigarettes as well as the consular invoice issued by a Philippine Consul, if any, containing the information that Philippine Internal Revenue stamps have been affixed to each and every pack of cigarettes and that such pack bears the inscription 'for export to the Philippines'.

"If the government of a foreign country permits the revenue stamps of such country to be affixed in the Philippines to tobacco (including cigars) or snuff manufactured in the Philippines and imported into such foreign country, internal revenue stamps of the Philippines may be affixed to tobacco (including cigars) or snuff manufactured in such foreign country to be imported into the Philippines from such foreign country, under such

rules and regulations as the Commissioner of Internal Revenue with the approval of the Minister of Finance may prescribe.

"Except those used as samples, all packs of locally manufactured cigarettes shall, upon the effectivity of the new rates of tax herein prescribed, bear thereon in print the maximum retail prices at which the said cigarettes are sold. No cigarettes shall be allowed to be removed from any factory unless this requirement has been complied with.

"Any manufacturer or importer who, in violation of this Section, knowingly misdeclares or misrepresents in his sworn statement herein required any pertinent data or information, including the approved maximum retail prices of his locally manufactured or imported cigarettes, shall upon discovery be penalized by a summary cancellation or withdrawal of his permit to engage in business as manufacturer or importer of cigarettes. If the violator is an alien, he shall be liable for deportation."

SEC. 2. This Act shall take effect upon its approval.

Approved, September 17, 1980.

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