

PRESCRIBING THE SPECIFIC TAX ON DISTILLED SPIRITS OR ALCOHOL TO BE USED FOR BLENDING WITH GASOLINE OR OTHER MOTOR FUELS FOR MOTIVE POWER

PRESIDENTIAL DECREE NO. 1089, February 08, 1977

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WHEREAS, in view of escalating crude oil and petroleum prices, it is necessary that indigenous sources of energy be used to the fullest extent possible;

WHEREAS, one of the feasible alternatives is the preparation of an admixture of alcohol and motor gasoline for use in motive power;

WHEREAS, the taxation of distilled spirits or alcohol for the manufacture of intoxicating beverages is imposed for sumptuary reasons which is different from the purpose in taxing alcohol for blending with motor gasoline for motive power such that the latter alcohol shall pay the equivalent rate of specific tax on motor gasoline so that all motor fuels shall contribute equally to the cost of construction, maintenance and repair of highways and bridges;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree, as part of the law of the land, the following :

SECTION 1. The provisions of any law to the contrary notwithstanding, ethyl alcohol, denatured alcohol or any distilled spirits, whether rectified or absolute, if produced domestically from locally produced raw materials, and when removed from the place of production or distillery plant by the manufacturer thereof for delivery to oil companies for use by the latter for blending with motor gasoline or other motor fuels to be used for motive power, shall, regardless of proof or alcoholic strength, be subject to specific tax at the same rate as the specific tax on automotive gasoline of the higher octane rating, more commonly known as "premium", "special", "extra" or "boron" gasoline or by some other name of similar meaning or descriptive intent: Provided, That if denatured alcohol for motive power taxable under Section 142(d) of the National Internal Revenue Code, as amended, shall be further mixed, blended or processed with motor gasoline or other motor fuels as contemplated under this Decree, such denatured alcohol shall be subject to specific tax at the same rate as the tax on motor gasoline of the higher octane rating in lieu of the rate of the tax prescribed under Section 142(d) of the same Code: And, Provided, further, That if rectified or ethyl alcohol, regardless of proof or alcoholic strength, is to be blended with motor gasoline or other motor fuels for motive power as authorized by this Decree, such alcohol must first be suitably denatured and rendered unfit for the manufacture of intoxicating beverages before removal from the distillery, rectifying plant or place of production.

SECTION 2. The Secretary of Finance, upon recommendation of the Commissioner of Internal Revenue, shall promulgate appropriate rules and regulations to implement this Decree.

SECTION 3. This Decree shall take effect upon the issuance of rules and regulations.

DONE in the City of Manila, this 8th day of February, in the year of Our Lord, Nineteen Hundred and Seventy-Seven.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JACOBO C. CLAVE
Presidential Executive Assistant

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