




REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

MANILA 1099
South Harbor, Gate 3, Port Area, Manila

Edy
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MEMORANDUM

TO : ALL DISTRICT AND SUBPORT COLLECTORS
ALL CHIEFS, FORMAL ENTRY DIVISION
ALL FORMAL ENTRY DIVISION PERSONNEL
ALL OTHERS CONCERNED

FROM : 
ATTY. EDWARD JAMES A. DY BUCO
Deputy Commissioner
Assessment and Operations Coordinating Group

SUBJECT : Guidelines on Excise Tax Rates, Schedules and Tariff
Headings of Commodities Covered by TRAIN Law.

DATE : May 8, 2018

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1. Pursuant to Republic Act No. 10963, otherwise known as the "Tax Reform for Acceleration and Inclusion (TRAIN) Law", you are hereby directed to review the attached guidelines upon examination and appraisal of the commodities covered by the said law.
 2. Attached herewith are the correct rates, schedules and tariff headings for your references.
 3. This memorandum supersedes all preceding memoranda providing the same directives and information.
 4. For your reference and immediate compliance.

AUTOMOBILE			
DESCRIPTION	PRIOR TO THE LAW	*Note: Hybrid cars shall be taxed half the rates (New schedule under TRAIN Law)	TARIFF COMMISSION CLASSIFICATION BASED ON AVAILABLE INFORMATION
Up to P600 Thousand (MSP/ISP)	2% of the MSP/ISP	Up to P600 Thousand (MSP/ISP) (effective Jan. 1, 2018)	Heading 87.02, Heading 87.03
Over P600 Thousand to P1.1 Million	P12,000 + 20% of value in excess of P600,000 (based on MSP/ISP)	More than P600 Thousand to Php 1 Million (effective Jan. 1, 2018)	Heading 87.02, Heading 87.03
Over P1.1 Million to P2.1 Million	P112,000 + 40% of value in excess of P1.1 Million (based on MSP/ISP)	More than P1 Million to 4 Million (effective Jan. 1, 2018)	Heading 87.02, Heading 87.03
Over P2.1 Million	P112,000 + 40% of value in excess of P1.1 Million (based on MSP/ISP)	More than 4 Million (effective Jan. 1, 2018)	Heading 87.02, Heading 87.03
OTHER PRODUCTS			
DESCRIPTION	PRIOR TO THE LAW	UNDER THE TRAIN LAW	TARIFF COMMISSION CLASSIFICATION BASED ON AVAILABLE INFORMATION
Metallic and Non-Metallic Minerals	2% based on dutiable value	4% based on dutiable value	Heading 25.01 to 25.30 except 25.23 Heading 26.01 to 26.17 *Note - Cement materials but not the finished product is excisable such as - Limestone for cement manufacture - Shale Clay - Silica sand for cement.

Indigenous oils, locally extracted hydrocarbon gas, minerals oils	3% based on the international fair value	6% based on the international fair value	2710.19.90 - mineral oils 2705.00.00 - hydrocarbon gas - "Indigenous oils" cannot be classified based on description alone; need information on the complete chemical composition and process of manufacture
Non-essential goods (eg. perfumes, toilet waters, pleasure yachts jewellery)	20% based on dutiable value	20% based on dutiable value (note: remain unchanged)	3303.00.00 for perfumes and toilet waters; 8903.99.00 for pleasure yachts; heading 71.13-71.17 for Jewellery
TOBACCO PRODUCTS			
DESCRIPTION	PRIOR TO THE LAW	UNDER THE TRAIN LAW	TARIFF COMMISSION CLASSIFICATION BASED ON AVAILABLE INFORMATION
a. Twisted by hand or reduced into a condition to be consumed in any manner other than the ordinary mode of drying and curing	P2.05 per net kg	P2.13 per net kg (Year 2018) P2.22 per net kg (Year 2019) P2.31 per net kg (Year 2020) P2.40 per net kg (Year 2021) P2.50 per net kg (Year 2022)	- Cannot be classified based on product description; Need information on the specific tobacco products covered by these product categories
b. Prepared or partially prepared with or without the use of any machine or instruments or without being pressed or sweetened	P2.05 per net kg	P2.13 per net kg (Year 2018) P2.22 per net kg (Year 2019) P2.31 per net kg (Year 2020) P2.40 per net kg (Year 2021) P2.50 per net kg (Year 2022)	
c. Fine-cut shorts or refuse, scraps, clipping, cuttings, stems and sweepings of tobacco	P2.05 per net kg	P2.13 per net kg (Year 2018) P2.22 per net kg (Year 2019) P2.31 per net kg (Year 2020) P2.40 per net kg (Year 2021) P2.50 per net kg (Year 2022)	
d. Chewing	P1.75 per net kg	P1.82 per net kg (Year 2018) P1.89 per net kg (Year 2019) P1.97 per net kg (Year 2020) P2.05 per net kg (Year 2021) P2.13 per net kg (Year 2022)	2403.99.50

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TOBACCO, UNSUITABLE IN ANY MANNER

Cigars	Ad Valorem Tax of 20% based on the net retail price per cigar, and Specific Tax of P5.85 per cigar	P6.08 per Cigar (Year 2018) P6.32 per Cigar (Year 2019) P6.57 per Cigar (Year 2020) P6.83 per Cigar (Year 2021) P7.10 per Cigar (Year 2022)	2402.10.00; 2402.90.10
Cigarettes Packed by Hand/Machine (20 sticks per pack)	P30.00 per pack	P32.50 per pack (January 1 - June 30, 2018) P35.00 per pack (July 1, 2018 - December 31, 2019) P37.50 per pack (January 1, 2020 - December 31, 2021) P40.00 per pack (January 1, 2022 - December 31, 2023)	2402.20.10; 2402.20.20; 2402.20.90; 2402.90.20

FERMENTED LIQUOR

DESCRIPTION	PRIOR TO THE LAW	UNDER THE TRAIN LAW	TARIFF COMMISSION CLASSIFICATION BASED ON AVAILABLE INFORMATION
a. If NRP per liter is P50.60 or less	P23.50 per gauge liter		Heading 22.03 - beers; 2206.00.10 - cider or perry;
b. If NRP per liter is more than P50.60	P23.50 per gauge liter	-unchanged-	2206.00.20 - sake;
c. Brewed and sold in small establishments such as pubs, restaurants, etc.	P32.76 per gauge liter		2206.00.41 and 2206.00.49 - shandy; 2206.00.91 and 2206.00.99 - other fermented beverages or mixtures

SPARKLING WINES

a. NRP up to 500 per bottle of 750 ml	P292.47 per gauge liter	-unchanged-	2204.10.00
a. NRP is more than P500 per bottle of 750 ml	P818.90 per gauge liter		

STILL WINES

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a. With an alcoholic content of 14% or less	P35. 10 per liter gauge	- unchanged-	2204.21.11; 2204.22.11; 2204.29.11; 2205.10.10; 2205.90.10
b. Still wine with an alcohol content of more than 14% up to 25% Fortified wines with an alcohol content of more than 25% shall be considered as Distilled Spirit	P70.20% per liter gauge		-unchanged-
Distilled Spirit	a. 20% ad valorem based on NRP, and b. P21.64 based on PL	-unchanged-	
SWEETENED BEVERAGES			
DESCRIPTION	PRIOR TO THE LAW	UNDER THE TRAIN LAW	TARIFF COMMISSION CLASSIFICATION BASED ON AVAILABLE INFORMATION
a. Beverages using caloric and non- caloric sweeteners	Zero Excise tax	P6.00 per liter	Heading 2202.10.10, 2202.10.90, 2202.91.00, 2202.99.40, 2202.99.50.

	<p>Zero Excise tax</p>	<p>P12.00 per liter</p>	<p>2202.99.90 EXCEPT 2202.99.10 and 2202.99.20;</p> <p>Heading 2009.11.00, 2009.12.00, 2009.19.00, 2009.21.00, 2009.29.00, 2009.31.00, 2009.39.00, 2009.41.00, 2009.49.00, 2009.50.00, 2009.61.00, 2009.69.00, 2009.71.00, 2009.79.00, 2009.81.10, 2009.81.90, 2009.89.10, 2009.89.91, 2009.89.99, 2009.90.10, 2009.90.91, 2009.90.99 - Fruit or Vegetable juices containing added sugar or other sweetening matter (Note: Fruit or vegetable juices, not containing added sugar or other sweetening matter, are also covered by this heading) ;</p> <p>2106.90.20 - powdered alcohol;</p> <p>2106.90.55, 2106.90.64,</p> <p>2016.90.65 - powdered concentrate for simple dilution with water (powdered drinks);</p> <p>1806.10.00 - cocoa powder with sweetening matter;</p> <p>1806.20.90 and 1806.90.90 - chocolate powder (applicable only to sweetened beverage)</p>
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LUBRICANT PRODUCTS

DESCRIPTION	PRIOR TO LAW	UNDER THE TRAIN LAW	TARIFF COMMISSION CLASSIFICATION BASED ON AVAILABLE INFORMATION
<p>Lubricant Oil and Greases</p> <p>- Lubricating Oils - selected fractions of refined petroleum or other oils (with or without additives) used to lessen friction between moving surfaces</p> <p>Greases - semisolid lubricants possessing a higher initial viscosity than oil</p>	<p>P 4.50 per net L (for oil) or Kg (for grease)</p>	<p>P 8.00 per net L (for oil) or Kg (for grease)</p>	<p>2710.19.41 ; 2710.19.42 ; 2710.19.43 ; 2710.19.44 ; 2710.19.50 ; 2710.19.60 ; 2710.19.79 ; 2710.19.89 ; 2710.19.90 ; 2710.19.00</p> <p>Heading 34.03</p>

Processed Gas	- Lightest by-product of refined crude oil and generated from the various process unit like crude distillers. Hydrodesulfurizer & platforms. Composed of pressurized gases like hydrogen, methane, ethane, propane, & butane, and use for refinery fuel	P 0.50 per net liter	P 8.00 per net L	2705.00.00 ; Heading 27.11
Paraffin Wax & Petrolatum (petroleum jelly)	- Waxes - any wax obtained from the petroleum, including paraffin wax, microcrystalline wax and petroleum jelly -Petrolatum - flammable, semisolid mixture of hydrocarbons, having a melting point usually ranging from a little below to a few degrees above 37 °C	P 3.50 per Kg/ net weight	P 8.00 per Kg/ net weight	Heading 27.12
Regular & Unleaded Premium Gasoline Oil	- Regular gasoline has a minimum of 91 RON while Premium gasoline has a minimum of 95 RON	P 4.35 per liter	P 7.00 per liter	2710.12.11 ; 2710.12.12 2710.12.13 ; 2710.12.21 2710.12.22 ; 2710.12.23 2710.12.24 ; 2710.12.25 2710.12.26 ; 2710.12.27 2710.12.28 ; 2710.12.29
Kerosene	- A combustible hydrocarbon liquid obtained from fractiona distillation of petroleum	Zero excise tax	P 3.00 per liter	2710.19.23
Aviation Gas	- Kerosene type fuel used for powering jet and turbo-prop engine aircraft	P 3.67 per liter	P 4.00 per liter	2710.12.31 ; 2710.12.39 ; 2710.19.81 ; 2710.19.82
Diesel fuel oil	- Refers to any fuel used in diesel engines an the most common is a specific fraction distillate of petroleum	Zero excise tax	P 2.50 per liter	2710.19.71 ; 2710.19.72 ; 2710.19.79
Naptha, regular gasoline & othe similar products of distillation	- Naptha - refers to a number of different flammable liquid mixtures of hydrocarbon; a distillation product from petroleum or coal tar boiling in a certain range - Gasoline - volatile mixture of liquid hydrocarbon generally containing small amounts of additives suitable for use as fuel in spark ignition internal combustion engine	P 4.35 per liter	P 7.00 per liter	2710.12.40 ; 2710.12.50 2710.12.60 ; 2710.12.70 ; 2710.12.80 ; 2710.12.91 2710.12.92 ; 2710.12.99 ; 2710.19.81 ; 2710.19.82 2710.91.00 ; 2710.99.00 2709.00.10 ; 2709.00.20 ; 2709.00.90 ; 2710.19.20 ; 2710.19.30 ; 2710.19.89 ; 2710.19.90 ; 2710.20.00
Petroleum Coke	- Black solid residue obtained mainly by cracking and carbunizing of petroleum derived from feedstocks, vacuum, bottoms, tar and pitches		P 2.50 per Kg	Heading 27.04 ; Heading 27.06 ; Heading 27.08 ; Heading 27.13

LPG except those intended for motive power	- Mixture of hydrocarbon gases used as a fuel in heating appliance and vehicles	Zero excise tax	P 1.00 per liter/kg	2711.11.00 ; 2711.12.00 ; 2711.13.00 ; 2711.14.10 ; 2711.14.90 ; 2711.19.00
Asphalts	- Sticky, black and highly viscous liquid or semi-solid liquid that is present in most crudes, petroleum and in some natural deposits	P 0.56 per net kg	P 8.00 per net kg	2714.10.00 ; 2714.90.00 ; 2715.00.10 ; 2715.00.90
Bunker Fuel Oil	- Type of liquid fuel which is fractionally distilled from crude oil	Zero excise tax	P 2.50 per liter	2710.19.90 ; 2710.19.79
Coal	- A combustible black mineral substance form by the partial decay of plant matter under the influence of moisture, increased pressure and temperature	P 1.00 per MT	P 50.00 per MT	Heading 2701 ; Heading 27.02 ; Heading 27.03 ; Heading 27.04 ; Heading 27.05 ; Heading 27.06
Denatured Alcohol to be used for motive power	- An ethanol, which has been rendered toxic or otherwise unfit for human consumption, and in some cases dyed	P 0.05 per liter	P 8.00 per liter	2207.20.11 ; 2207.20.19