REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

National Office Building
Quezon City

Sec. 47 of R.A. 10963; RR 20-18	OT- 018-2025 JAN 07 2025	Person to Contact: Chief, Law & Legislative Division Tel. Nos. 926-55-36 /927-09-63

FLY ACE CORPORATION
7th Floor, Fly Ace Corporate Center
13 Coral Way, Central Business Park
Pasay City

Attention: **Atty. Salve Regina Venturanza-Cortez**
Corporate Counsel

Gentlemen:

This refers to your request for a ruling that your importation of various products consisting of beverages are exempt from the payment of excise tax imposed on sweetened beverages under Republic Act (RA) No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion (TRAIN) Law.

It is represented that you already paid the excise taxes due on the importation of your products (sweetened beverages) to facilitate the immediate release from the Bureau of Customs (BOC) subject to the final determination that said products are exempt from the payment of excise tax; that you were advised by the BOC to obtain from the Food and Drug Administration (FDA) a Certification that your products subject of various Authority to Release Imported Goods are excluded from the imposition of excise tax; and that you were able to secure a Certification from the FDA that your products are not covered by the TRAIN Law.

In reply, please be informed that Section 47 of RA No. 10963, provides, viz:

> "SEC. 47. A new section designated as Section 150-B under Chapter VI, Title VI of the NIRC, as amended, is hereby inserted to read as follows:
>
> SEC. 150-B. *Sweetened Beverages.* –
>
> *(A) Rate and Base of Tax.* – Effective January 1, 2018:
>
> (1) A tax of Six pesos (P6.00) per liter of volume capacity shall be levied, assessed, and collected on sweetened beverages using purely caloric sweeteners, and purely non-caloric sweeteners, or a mix of caloric and non-caloric sweeteners: *Provided,* That this rate shall not apply to

OT-018-2025
JAN 07 2025

sweetened beverages using high fructose corn syrup: *Provided, further*, That sweetened beverages using purely coconut sap sugar and purely steviol glycosides shall be exempt from this tax;" (Underscoring ours)

In relation thereto, Section 3 of Revenue Regulations No. 20-2018, implementing the imposition of excise tax on sweetened beverages pursuant to Section 47 of RA No. 10963 provides, to wit:

> "SECTION 3. Tax Rates and Bases. — There shall be levied, assessed and collected, effective January 1, 2018, a specific tax on sweetened beverages, in accordance with the following:

PRODUCT DESCRIPTION	Tax Rate (per liter of volume capacity)
Using purely caloric sweeteners, and purely non-caloric sweeteners, or a mix of caloric and non-caloric sweeteners	P6.00
Using purely high fructose corn syrup or in combination with any caloric or non-caloric sweetener	P12.00
Using purely coconut sap sugar and purely steviol glycosides	Exempt

From the afore-quoted provisions[1], it is clear that only those sweetened beverages using purely coconut sap sugar and purely steviol glycosides shall be exempt from excise tax. Thus, sweetened beverages although without added caloric and non-caloric sweeteners are still subject to excise tax if the same contain purely high fructose corn syrup.

Furthermore, in a letter addressed to Fly Ace Corporation's Import and Regulatory Manager dated April 26, 2018, the FDA certified that per its CFRR record, the following FDA-registered products have no added caloric and non-caloric sweetener, but without mentioning whether the following products do not contain purely high fructose corn syrup:

1. Mott's Apple Juice – Juice from Concentrate with Added Vitamin C – Original
2. 100% Apple Juice Original – Juice from Concentrate with Added Vitamin C
3. Old Orchard 100% Apple Juice from Concentrate
4. Old Orchard Organic 100% Juice Apple
5. Rauch Happy Day Apple Juice
6. Rauch Happy Day Orange Juice
7. Rauch Apple Juice
8. Rauch Orange Juice

[1] Section 47 of RA No. 10963 and Section 3 of RR No. 20-2018

OT-018-2025
JAN 07 2025

9. Rauch Happy Day 100% Multivitamin Juice from Concentrate and Puree Concentrate with 9 Vitamins
10. Jolly Fresh Apple Juice from Concentrate
11. Jolly Fresh Orange Juice from Concentrate
12. May 100% Sparkling Red Grape Juice
13. May 100% Sparkling White Grape Juice
14. Welch's Family Farmer Owned® 100% Grape Juice from Concentrate with Added Ingredients, 120% Vitamin C
15. Welch's Grape Juice with Fiber
16. Welch's Grape Juice with Calcium
17. Jolly Fresh 100% Prune Juice

In view of the foregoing, this Office regrets to inform you that your request cannot be granted for lack of factual and legal basis. Thus, the above-stated FDA-registered products (sweetened beverages) are subject to excise tax imposed under Section 47 of RA No. 10963.

Please be guided accordingly.

Very truly yours,

ROMEO B. LUMAQUI, JR.
Commissioner of Internal Revenue

K-1
gps(fly ace)