REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
National Office Building
Quezon City

Revenue Bulletin No. 01-03
BIR Ruling No. OT-079-21
OT- 017-2025

JAN 07 2025

DEECOR METAL FABRICATION AND GLASS CORPORATION
McArthur Highway, Anupul
2317 Bamban, Tarlac

Attention: **SUZETTE A. SAIN**
Accounting Officer

Gentlemen:

This refers to your letter requesting a ruling for the cancellation of the Letter of Authority (dated July 26, 2023, issued to Deecor Metal Fabrication and Glass Corporation.

In reply, please be informed that requests for rulings on matters that are subject of an on-going audit/investigation are considered a "No-Ruling Area" pursuant to Section 2 (r) of Revenue Bulletin No. 01-03.

Section 2 (r) of Revenue Bulletin No. 01-03 provides:

"SEC. 2. List of No-Ruling Areas. – The following shall hereby be construed and identified as "No-Ruling Areas":

r) Issue/s or transactions involving directly or indirectly the same taxpayer/s which is/are the subject of an investigation, on-going audit, administrative protest, claim for refund or issuance of tax credit certificate, collection proceedings, or a judicial appeal subject to Section 3 hereunder. Accordingly, the taxpayer must submit and include the following statement in the request for ruling: "The issue/s or transaction subject of the request is not under investigation, on-going audit, administrative protest, claim for refund or issuance of a tax credit certificate, collection proceedings, or a judicial appeal of the taxpayer/s involved."

Please be guided accordingly.

Very truly yours,

ROMEO D. LUMAGUI, JR.
Commissioner of Internal Revenue

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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

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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

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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. LUMAGUI, JR.
Commissioner of Internal Revenue

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