REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

Sec. 2 (t) of Revenue Bulletin No. 01-03
BIR Ruling No. 264-15;
BIR Ruling No. 648-12
INV- 0217-2020
MAR 11 2020

MELCHOR PALAGANAS, JR.

Sir:

This refers to your letter dated December 04, 2017, stating that you are in the process of developing an invention in the form of an enhanced type of regular motor gasoline; that the product will have as its main ingredients the ordinary regular gasoline available in the local market today and an indigenously available quality enhancer; that you plan to buy the regular motor gasoline component from local suppliers; and that if the invention is granted a patent:

1. Will the patented product, which is classified as an unleaded E10 regular gasoline, be exempted from the specific tax of Php4.35 per liter for motor gasoline? As basis, you are referring to Republic Act (RA) No. 7459 and BIR Revenue Regulations (RR) No. 19-93, Section 3 (C) (c).

2. If so, since the gasoline component is already subjected to specific tax at the source, how will the specific tax exemption be handled? Will it be in the form of a tax rebate?

In reply, please be informed that under Revenue Bulletin No. 01-03, the ruling function is limited to the determination of purely legal issues, as opposed to questions of fact. Accordingly, the Revenue Bulletin declared certain issues or subject matter as "No-Ruling Areas", on which the appropriate office of the Bureau is hereby instructed not to accept any request for rulings covered by said Revenue Bulletin or any amendments thereto.

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

> *"SECTION 2. List of No-Ruling Areas. — The following shall hereby be construed and identified as "No-Ruling Areas":*
>
> *xxx xxx xxx*
>
> *t) Request for rulings on issue/s or transactions based on hypothetical situations.*
>
> *xxx xxx xxx"*

In view of your representation that you are still in the process of developing an invention, this Office cannot as yet issue a definitive ruling or opinion on the above matter considering that the issue is based on hypothetical situation, which is considered

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as a "No-Ruling Area" pursuant to Section 2 (t) of Revenue Bulletin 01-03. ***(BIR Ruling No. 264-15 dated July 30, 2015 and BIR Ruling No. 648-12 dated December 07, 2012)***

Be that as it may, we would be glad to assist you should you request for a ruling when your invention is already granted a patent.

Please be guided accordingly.

Very truly yours,

CAESAR R. DULAY
Commissioner of Internal Revenue

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