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

December 22, 2016

REVENUE MEMORANDUM CIRCULAR NO. 1-2017

SUBJECT : Clarification on Section 2(c) of Revenue Regulations (RR) No. 7-2014 On the Colors of Cigarette Tax Stamps Relative to the Implementation of the Unitary Excise Tax Rate under RR No. 17-2012

TO : All Internal Revenue Officers, Employees and Others Concerned

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This Circular is hereby issued to clarify Section 2(c) of RR No. 7-2014 on the colors of cigarette tax stamps in relation to the effectivity of the unitary excise tax rate pursuant to Republic Act No. 10351 as implemented by RR No. 17-2012.

Effective January 1, 2017, all removals/withdrawals/importations of cigarettes, whether packed by hand or by machine, shall be subject to the unitary excise tax rate of Thirty Pesos (₱30.00).

Relative thereto, it is informed that the classification of the internal revenue stamps shall be reduced from six (6) to three (3) and shall be as follows:

Existing			**Effective January 1, 2017**		
Classification	**Tax Bracket**	**Six (6) Colors**	**Classification**	**Tax Bracket**	**Three (3) Colors**
Domestic	Low	Yellow	Domestic	Unitary Rate (₱30.00)	Pink
	High	Pink			
Imported	Low	Orange	Imported		Orange
	High	Violet			
Export	Low	Green	Export		Green
	High	Blue			

In order to effectively monitor the implementation of the said unitary tax rate, the Excise LT Field Operations Division (ELTFOD) shall conduct inventory count of all unused/unissued/unaffixed internal revenue stamps in the possession of cigarette manufacturers/importers and exporters as of December 31, 2016. Thereafter, all removals /importations using these old internal revenue stamps shall pay the differential excise tax due thru Electronic Filing Payment System using BIR Form No. 2200-T.

All concerned are hereby enjoined to be guided accordingly and give this Circular as wide a publicity as possible.

CAESAR R. DULAY
Commissioner of Internal Revenue

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BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION
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