REPUBLIKA NG PILIPINAS
KAGAWARAN NG PANANALAPI
KAWANIHAN NG RENTAS INTERNAS

March 22, 2005

REVENUE MEMORANDUM ORDER NO. 7-2005

SUBJECT : Renaming of Alphanumeric Tax Codes (ATCs) and Revised Rates and Bases of Excise Tax on Tobacco and Alcohol Products

TO : All Internal Revenue Officers and Others Concerned

I. Objective :

To facilitate proper identification and monitoring of volume of removals and excise tax payments declared per BIR Forms 2200A (Excise Tax Return for Alcohol Products) and 2200T (Excise Tax Return for Tobacco Products) for Integrated Tax System (ITS) and e-Filing Payment System (eFPS) purposes, the Alphanumeric Tax Codes (ATCs) on Alcohol and Tobacco Products are hereby renamed/created together with their corresponding revised excise tax rates in view of the enactment of Republic Act No. 9334 effective January 1, 2005.

II. List of renamed/created ATCs together with the corresponding revised excise tax rates under the new Republic Act No. 9334 effective January 1, 2005:

Alpha Numeric Tax Code (ATC)		PRODUCTS	TAX RATES	
Old	New		FROM	TO
		(1) Distilled Spirits	Per proof liter	Per proof liter
XA010	XA010	(a) If produced from the sap of nipa, coconut, cassava, camote, or buri palm or from the juice, syrup or sugar of the cane;	P 8.96	P 11.65
XA020	XA010	If produced in a pot still by small distillers (up to 100 liters/day and 50% alcohol by volume)	P 4.48	P 11.65
		(b) If produced from raw materials other than those enumerated in the preceding paragraph The tax shall be in accordance with the net retail price (excluding the excise and value-added taxes) per bottle of seven hundred fifty milliliter (750 ml.) volume capacity, as follows:		
XA031	XA031	(1) Less than Two Hundred and Fifty Pesos (< P250.00)	P 84.00	P 126.00
XA032	XA032	(2) Two Hundred and Fifty Pesos (P250.00) up to Six Hundred and Seventy Five Pesos (P675.00)	P 168.00	P 252.00
XA033	XA033	(3) More than Six Hundred and Seventy Five Pesos (>P675.00)	P 336.00	P 504.00
XA040	XA040	(c) Medicinal preparations, flavoring extracts, and all other preparations, except toilet preparations, of which, excluding water, distilled spirits form the chief ingredient, shall be subject to the same tax as such chief ingredient		

		(2) Wines	Per liter	Per liter
		(a) Sparkling wines / champagnes The tax shall be in accordance with the net retail price (excluding the excise and value-added taxes) per bottle, regardless of proof, as follows:		
XA061	XA061	(1) Five Hundred Pesos (<P500.0) or less	P 112.00	P 145.60
XA062	XA062	(2) More than Five Hundred Pesos (>P500.0)	P 336.00	P 436.60
XA070	XA070	(b) Still wines containing fourteen percent (14%) of alcohol by volume or less	P 13.44	P 17.47
XA080	XA080	(c) Still wines containing more than fourteen percent (14%) of alcohol by volume but not more than twenty-five percent (25%) of alcohol by volume	P 26.88	P 34.94
XA090	XA090	Fortified wines containing more than twenty-five percent (25%) of alcohol by volume shall be taxed as distilled spirits		
		(3) Fermented liquors The tax shall be in accordance with the net retail price (excluding excise and value-added taxes) per liter of volume capacity, as follows:	Per liter	Per liter
XA051	XA051	(1) Less than Fourteen Pesos and Fifty Centavos (<P14.50)	P 6.89 P 6.99 P 7.07 P 7.61 P 7.62 P 7.92	P 8.27 P 8.27 P 8.27 P 8.27 P 8.27 P 8.27
XA052	XA052	(2) Fourteen Pesos and Fifty Centavos (P14.50) up to Twenty-two Pesos (P22.00)	P 10.25 P 10.48	P 12.30 P 12.30
			Per liter	Per liter
XA053	XA053	(3) More than Twenty-two Pesos (>P22.00) Regardless of the net retail price, fermented liquors brewed and sold at micro-breweries or small establishments such as pubs and restaurants shall be taxed at P16.33 per liter.	P 13.61 P 14.02 P 20.72 P 22.30 P 27.28	P 16.33 P16.33 P 20.72 P 22.30 P 27.28
XT010	XT010	(1) Tobacco Products (a) Tobacco twisted by hand or reduced into a condition to be consumed in any manner other than the ordinary mode of drying and curing; (b) Tobacco prepared or partially prepared with or without the use of any machine or instrument or without being pressed or sweetened; and (c) Fine-cut shorts and refuse, scraps, clippings, cuttings, stems, midribs and sweepings of tobacco;	P 0.75 per k.g.	P 1.00 per k.g.
XT020	XT020	(2) Chewing tobacco	P 0.60 per k.g.	P 0.79 per k.g.

XT030		(3) Cigars	P 1.12 per cigar	
	(NEW ATCs)	The tax shall be in accordance with the net retail price (excluding excise and value-added taxes) per cigar, as follows:		
	XT031	(1) Five Hundred Pesos (=<P500.00) or less		- Ten Percent (10%) of the net retail price *
	XT032	(2) More than Five Hundred Pesos (>P500.00)		Fifty Pesos (P50.00) plus Fifteen Percent (15%) of the net retail price in excess of Five Hundred Pesos (P500.00)
		The tax rate shall in no case be lower than P1.12 as provided in the Tax Code of 1997.		
			Per pack	Per pack
XT040	XT040	(4) Cigarettes Packed by Hand	P 0.40 P 0.40284	P 2.00 P 2.00
			P 0.48	P 2.00
			P 0.48204 P 0.49	P 2.00 P 2.00
		(5) Cigarettes Packed by Machine	Per pack	Per pack
		The tax shall be in accordance with the net retail price (excluding excise and value-added taxes) per pack, as follows:		
XT130	XT130	(a) Below Five Pesos (<P5.00)	P 1.12 P 3.30	P 2.00 P 3.30
XT070	XT070	(b) Five Pesos (P5.00) but does not exceed Six Pesos and Fifty Centavos (P6.50)	P 5.50	P 5.50 (should be transferred under the P 2.00 bracket)
			P 5.60 P 5.85	P 6.35 P 6.35
			P 6.96	P 6.96
XT060	XT060	(c) More than Six Pesos and Fifty Centavos (>P6.50) but does not exceed Ten Pesos (P10.00)	P 8.96	P 10.35
XT050	XT050	(d) More than Ten Pesos (>P10.00)	P 13.44	P 25.00
		(6) Tobacco Inspection Fees		
XT080	XT080	(a) For each thousand cigars or fraction thereof	P 0.50	P 0.50
XT090	XT090	(b) For each thousand cigarettes or fraction thereof	P 0.10	P 0.10
XT100	XT100	(d) For each kilogram of leaf tobacco or fraction thereof	P 0.02	P 0.02
XT110	XT110	(e) For each kilogram or fraction thereof of scrap and other manufactured tobacco	P 0.03	P 0.03

III. Repealing Clause :

This Order supersedes all revenue issuances or portions thereof inconsistent herewith.

IV. Effectivity:

This Order takes effect immediately.

(Original Signed)
GUILLERMO L. PARAYNO, Jr.
Commissioner of Internal Revenue