REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

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January 5, 2018

REVENUE REGULATIONS NO. 1-2018

SUBJECT : Providing for the Revised Tax Rates on Mineral Products pursuant to the Provisions of Republic Act No. 10963, otherwise known as the "Tax Reform for Acceleration and Inclusion (TRAIN) Law" Amending for the Purpose Revenue Regulations No. 13-94

TO : All Internal Revenue Officers and Others Concerned.

SECTION 1. SCOPE. - Pursuant to the provisions of Section 244 in relation to Section 245 of the National Internal Revenue Code of 1997 (NIRC), as amended, and Section 84 of Republic Act No. 10963, otherwise known as the "Tax Reform for Acceleration and Inclusion (TRAIN) Law", these Regulations are hereby promulgated to amend the relevant provisions of Revenue Regulations (RR) No. 13-94 by providing for the revised tax rates on mineral products.

SEC. 2. Amending Section 3 of RR No. 13-94

"**SEC. 3. DEFINITION OF TERMS.** – For purposes of these Regulations, the following words and phrases shall have the meaning indicated below:

a. XXX

XXXXXX XXX

g. *Gross Output* shall be interpreted as the actual market value of minerals or mineral products or of bullion from each mine or mineral land operated as a separate entity, without any deduction from mining, milling, refining (including all expenses incurred to prepare the said minerals or mineral products in a marketable state), as well as transporting, handling, marketing or any other expenses: *Provided*, That if the minerals or mineral products are sold or consigned abroad by the lessee or owner of the mine under C.I.F. terms, the actual cost of ocean freight and insurance shall be deducted: *Provided, however*, That in the case of mineral concentrate, not traded in commodity exchanges in the Philippines or abroad, such as copper concentrate, the actual market value shall be the world price quotations of the refined mineral products content thereof prevailing in the said commodity exchanges, after deducting the smelting, refining and other charges incurred in the process of converting the mineral concentrates into refined metal traded in those commodity exchanges:

XXX XXX XXX"

SEC. 3. Amending Section 5 of RR No. 13-94

"SEC. 5. PAYMENT OF EXCISE TAX ON MINERALS AND MINERAL PRODUCTS. –

A. *Rate and Base of Tax.* – There shall be levied, assessed and collected on mineral, mineral products and quarry resources, excise tax as follows:

3.1. On domestic and imported coal and coke:

Date of Effectivity	Excise Tax per Metric Ton
January 1, 2018	Fifty pesos (P50.00)
January 1, 2019	One hundred pesos (P100.00)
January 1, 2020 and onwards	One hundred and fifty pesos (P150.00)

Coal produced under Coal Operating Contracts entered into by the government pursuant to Presidential Decree No. 972 as well as those exempted from excise tax on mineral products under other laws shall now be subject to the applicable rates above beginning January 1, 2018.

3.2. All nonmetallic minerals and quarry resources:

	Excise Tax
Locally extracted or produced	Four percent (4%) based on the actual market value of the gross output thereof at the time of removal.
Imported	Four percent (4%) based on the value used by the Bureau of Customs (BOC) in determining tariff and customs duties, net of excise tax and value-added tax.
Locally extracted natural gas and liquefied natural gas	Exempt.

3.3. All metallic minerals:

	Excise Tax
Locally extracted or produced copper, gold, chromite and other metallic minerals	Four percent (4%) based on the actual market value of the gross output thereof at the time of removal.
Imported copper, gold, chromite and other metallic minerals	Four percent (4%) based on the value used by the BOC in determining tariff and customs duties, net of excise tax and value-added tax.

3.4. Indigenous petroleum, a tax of six percent (6%) of the fair international market price thereof, on the first taxable sale, barter, exchange or such similar transaction, such tax to be paid by the buyer or purchaser before removal from the place of production. The phrase *'first taxable sale, barter, exchange or similar transaction'* means the transfer of indigenous petroleum in its original

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state to a first taxable transferee. The fair international market price shall be determined in consultation with an appropriate government agency;

For the purpose of this Subsection, '*indigenous petroleum*' shall include locally-extracted mineral oil, hydrocarbon gas, bitumen, crude asphalt, mineral gas and all other similar or naturally associated substances with the exception of coal, peat, bituminous shale and/or stratified mineral deposits."

B. xxx"

SEC. 4. REPEALING/AMENDATORY CLAUSE. – All regulations, rulings or orders or portions thereof not consistent herewith are hereby revoked, repealed, modified or amended accordingly.

SEC. 5. EFFECTIVITY CLAUSE. - These Regulations shall take effect immediately after its complete publication in a newspaper of general circulation.

CARLOS G. DOMINGUEZ III
Secretary of Finance
JAN 11 2018

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Recommending Approval:

CAESAR R. DULAY
Commissioner of Internal Revenue
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BIR TRAIN IRR/RR Drafting Committee