

[PRESIDENTIAL DECREE NO. 2009, January 11, 1986]

AMENDING PARAGRAPH (f) OF SECTION 126 OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED.

WHEREAS, there is need to provide additional safeguards for the proper implementation of Presidential Decree No. 2007 which increased the tax rates and maximum retail prices of cigarettes.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree:

SECTION 1. Paragraph (f) of Section 126 of the National Internal Revenue Code, as amended, is further amended to read as follows:

"SECTION 126.-

"(f) *Effect of Change of Rates & Classification.* — A change in specific tax rates and maximum retail prices of cigars and cigarettes per tax bracket shall not allow a downward re-classification of the tax bracket of any existing cigar or cigarette brand.

"In case a manufacturer introduces a new category of cigarettes using a foreign brand or trademark under a licensing agreement, for tax purposes, the maximum retail price of such cigarettes shall in no case be lower than the prevailing maximum retail price of an existing category of cigarettes using a foreign brand or trademark of comparable quality, blend, cost of production and other relevant factors.

"Duly registered and/or existing brands of cigarettes packed in twenties shall not be allowed to be packed in thirties."

SEC. 2. Under P.D. No. 2007, the per bracket specific tax rates, except on cigars, have been increased by 42% to 50%. Cigarettes taxed under a particular tax bracket before the change in rates shall automatically be subject to the new specific tax rate corresponding to the said bracket. No cigarette manufacturer or producer shall be allowed to pay on their cigarette brands an amount less than 142% of the applicable specific tax rates before the change.

SEC. 3. *Effectivity.*—This Decree shall take effect on January 6, 1986.

Done in the City of Manila, on this 11th day of January, in the year of Our Lord, nineteen hundred and eighty-six.



Source: Supreme Court E-Library

This page was dynamically generated by the E-Library Content Management System (E-LibCMS)