

**[ REPUBLIC ACT NO. 6767, October 30, 1989 ]**

**AN ACT AMENDING SECTION 145, PARAGRAPH (B), OF THE  
NATIONAL INTERNAL REVENUE CODE, AS AMENDED**

*Be it enacted by the Senate and House of Representatives of the Philippines in  
Congress assembled:*

SECTION 1. Section 145, paragraph (b), of the National Internal Revenue Code, as amended, is hereby further amended by adding a new item (4) to read as follows:

"*Ad Valorem* Tax Rate" (4) Naphtha when used as a raw material in the production of petrochemical products 0% Provided, That naphtha processed by domestic refineries, if available as determined by the Energy Regulatory Board, shall be utilized before any naphtha may be imported for this purpose: *Provided, further*, That the by-product including fuel oil, diesel fuel, kerosene, pyrolysis gasoline, liquefied petroleum gases and similar oils having more or less the same generating power, which are produced in the processing of naphtha into petrochemical products shall be subject to the applicable *ad valorem* tax specified in paragraph (b) of this section, except when such by-products are transferred to any of the local oil refineries through sale, barter, or exchange, for the purpose of further processing or blending into finished products which are subject to *ad valorem* tax under the said paragraph (b) of this section."

SEC. 2. The Bureau of Internal Revenue with the approval of the Department of Finance shall promulgate rules and regulations necessary for the effective implementation of this Act.

SEC. 3. This Act shall take effect after 15 days following its publication either in the Official Gazette or a newspaper of general circulation in the Philippines.

Approved,

**(Sgd.) JOVITO R. SALONGA**  
*President of the Senate*

**(Sgd.) RAMON V. MITRA**  
*Speaker of the House of Representatives*

This Act which originated in the House of Representatives was finally passed by the House of Representatives and the Senate on October 3, 1989 and September 19, 1989, respectively.

**(Sgd.) EDWIN P. ACOBA**  
*Secretary of the Senate*

**(Sgd.) QUIRINO D. ABAD SANTOS,  
JR.**  
*Secretary of the House of  
Representatives*