

[EXECUTIVE ORDER NO. 22, June 25, 1986]

**FURTHER AMENDING CERTAIN PROVISIONS OF THE NATIONAL
INTERNAL REVENUE CODE, AS AMENDED**

WHEREAS, there is an urgent need to rationalize the imposition of excise taxes;

WHEREAS, there is also a need to simplify the methods of computation and collection thereof;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Republic of the Philippines, do hereby order:

SECTION 1. - Section 109 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

"SEC. 109. - Articles subject to excise taxes. - Excise taxes apply to articles manufactures or produced in the Philippines for domestic sale or consumption or for any other dispositions, excise taxes shall be in addition to the customs duties, if any.

For purposes of this Title, excise taxes herein imposed and based on weight or volume capacity or any other physical unit of measurement shall be referred to as "specific tax" and an excise tax herein imposed and based on selling price or other specified value of the article shall be referred to as "ad valorem tax".

SECTION 2. - Section 110 of the National Internal Revenue Code, as amended, is hereby further amended by adding the following paragraph:

"(d) Credit for excise tax on articles actually exported. - When articles locally produced or manufactured are removed and actually exported without returning to the Philippines whether so exported in their original state or as ingredients or parts of any manufactured articles or products, any excise tax paid thereon shall be credited or refunded upon submission of the proof of actual exportation and upon receipt of the corresponding foreign exchange."

SECTION 3. - Section 117 of the National Internal Revenue Code is hereby amended to read as follows:

"SEC. 117. Removal of spirits under bond. - Spirits requiring rectification may be removed from the place of production to some other establishment for the purpose of rectification without the prepayment of the excise tax: Provided, the distiller removing such spirits and the rectifier receiving them shall file with the Commissioner their joint bond conditioned upon the payment by the rectifier of the excise tax due on