

**[ BATAS PAMBANSA BLG. 81, September 17, 1980 ]**

**AN ACT FURTHER AMENDING SECTION 149 SUB-PARAGRAPH (b) OF THE NATIONAL INTERNAL REVENUE CODE AND FOR OTHER PURPOSES.**

*Be it enacted by the Batasang Pambansa in session assembled:*

SECTION 1. Section 149 (b) of the National Internal Revenue Code of 1977, as amended, is hereby further amended to read as follows:

"(b) *Cigarettes*—

"(1) On cigarettes packed in thirties, the retail price of which per pack does not exceed ninety centavos, on each thousand, three pesos;

"(2) On cigarettes packed in thirties, the retail price of which per pack exceeds ninety centavos but does not exceed one peso and twenty-five centavos, on each thousand, five pesos;

"(3) On cigarettes packed in thirties, the retail price of which per pack exceeds one peso and twenty-five centavos, on each thousand, eight pesos;

" (4) On cigarettes packed in twenties, the retail price of which per pack does not exceed one peso and forty-five centavos, on each thousand, fourteen pesos;

"(5) On cigarettes packed in twenties, the retail price of which exceeds one peso and forty-five centavos but does not exceed one peso and seventy-five centavos, on each thousand, twenty pesos;

"(6) On cigarettes packed in twenties, the retail price of which exceeds one peso and seventy-five centavos but does not exceed two pesos and five centavos, on each thousand, twenty-two pesos;

"(7) On cigarettes packed in twenties, the retail price of which exceeds two pesos and five centavos but does not exceed two pesos and forty centavos, on each thousand, twenty-five pesos;

"(8) On cigarettes packed in twenties, the retail price of which exceeds two pesos and forty centavos but does not exceed two pesos and eighty-five centavos, on each thousand, thirty-seven pesos;

"(9) On cigarettes packed in twenties, the retail price of which exceeds two pesos and eighty-five centavos but does not

exceed three pesos and thirty-five centavos, on each thousand, forty-five pesos;

"(10) On cigarettes packed in twenties, the retail price of which exceeds three pesos and thirty-five centavos, on each thousand, fifty-five pesos;

"(11) If the cigarettes of local manufacture are of foreign brands or trademarks and being manufactured locally under licensing agreements with the foreign brand or trademark owners, the tax shall be increased by fifty *per centum* per thousand: *Provided*, That any subsequent transfer or alienation of title or right over a cigarette brand or trademark by a foreign owner to a local manufacturer in whatever manner, form or description shall not affect the rates of tax then prevailing after the effectivity of this Code: *Provided, further*, That the maximum retail price per pack of cigarettes subject to the surcharge of fifty per centum may be increased beyond the price bracket range for the corresponding category of cigarettes not subject to the surcharge, but such increase shall not exceed the amount of the surcharge applicable to a pack of cigarettes within the same category;

"(12) If the cigarettes are of foreign manufacture, regardless of the retail price or contents per pack, on each thousand, eighty-seven pesos.

"Nothing under the foregoing subparagraph (b) shall be deemed to allow a downward reclassification for tax purposes of any existing brand of cigarettes whenever there is a change in the tax rates or retail price ceilings thereof.

"Cigarettes subject to tax at lower rates before the effectivity of the new tax rates herein prescribed shall automatically be subject to the corresponding higher rates and there is nothing under this sub-section (b) which allows any downward reclassification of tax rates for existing brands of cigarettes duly registered at the time the herein rates become effective.

"Duly registered and/or existing brands of cigarettes packed in twenties at the time of the new rates herein prescribed shall not be allowed to be packed in thirties.

"The maximum price at which the various classes of cigars are sold at wholesale in the factory or in the establishment of the importer to the public shall determine the rate of the tax applicable to such cigars; and if the manufacturer or importer also sells, or allows to be sold, his cigars at wholesale in another establishment of which he is the owner or in the profits of which he has an interest, the maximum sale price in such establishment shall determine the rate of the tax applicable to the cigars therein sold: *Provided, however*, That when such maximum wholesale price is less than the cost of manufacture or importation plus all expenses incurred until the cigars are finally sold by the manufacturer or