

The TRAIN Law

R.A. 10963

Excise Tax

Excise Tax on Automobiles

Before

TRAIN

Net Manufacturer's Price/Importer's Selling Price	Old Rate
Up to P600K	2%
Over P600K to P1.1M	P12,000 + 20%
Over P1.1M to P2.1M	P112,000 + 40%
Over P2.1M	P512,000 + 60%



■■■■ AUTOMOBILES ■■■■

Net Manufacturer's Price/Importer's Selling Price	New Rate
Up to P600K	4%
Over P600K to P1.0 M	10%
Over P1M to P4M	20%
Over P4M	50%
Hybrid vehicles	50% of the regular rate
Purely electric vehicles, Pick-Up	Exempt

Excise Tax on Cigarettes

Effective Jan. 2017,
excise tax of P30.00 per pack

Effective Jan. 2018,
a 4% increase every year



■■■■ EXCISE TAX ON CIGARETTES ■■■■

Jan. 2018 to Jun. 30, 2018
P32.50

Jul. 1, 2018 to Dec. 31, 2019
P35.00

Jan. 2020 to Dec. 31, 2021
P37.50

Jan. 2022 to Dec. 31, 2023
P40.00

and a 4% increase every year
starting Jan. 2024.

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Excise Tax

Excise Tax Rate on Manufactured Oils and Fuels

Before

TRAIN

2017	Products	2018	2019	2020
P4.50	Lubricating oils and greases (/L or /kg)	P8.00	P9.00	P10.00
P0.05	Processed gas (/L)	P8.00	P9.00	P10.00
P3.50	Waxes and petrolatum (/kg)	P8.00	P9.00	P10.00
P0.05	Denatured alcohol for motive power (/L)	P8.00	P9.00	P10.00
P4.35 (excluding Pyrolysis gasoline)	Naphtha, regular gasoline, pyrolysis gasoline and other similar products of distillation (/L)	P7.00	P9.00	P10.00
Subject to applicable excise tax rate.	Production of petroleum products, whether or not as products of distillation and for use solely for production of gasoline.	Exempt	Exempt	Exempt
P4.35	Unleaded premium (/L)	P7.00	P9.00	P10.00
P3.67	Aviation turbo jet fuel (/L)	P4.00	P4.00	P4.00
P0.00	Kerosene(/L)	P3.00	P4.00	P5.00
P0.00	Diesel (/L)	P2.50	P4.50	P6.00
P0.00	Liquefied Petroleum Gas (/kg)	P1.00	P2.00	P3.00
P0.56	Asphalts (/kg)	P8.00	P9.00	P10.00
P0.00	Bunker (/L)	P2.50	P4.50	P6.00
N/A	Petroleum coke (/ton)	P2.50	P4.50	P6.00

NOTE:

1.) If the average Dubai crude prices based on Mean of Platts Singapore (MOPS) for 3 months prior to scheduled increase reaches or exceeds USD 80 per barrel, the new excise tax rates shall be suspended.

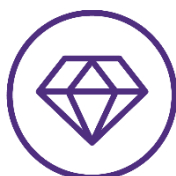
2.) Mandatory marking of all petroleum products within 5 years from effectivity of R.A. 10963

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Excise Tax on Mineral Products

Before



Mineral
Products

TRAIN

P10 per metric ton	Coal and coke	<ul style="list-style-type: none">Jan. 1, 2018 - P50Jan. 1, 2019 - P100Jan. 1, 2020 - P150 On importations and local extraction
2% of actual market value at time of removal	Non-metallic minerals and quarry resources	4%
2%	Copper and other metallic minerals	4%
2%	Gold and chromite	4%
3% of fair international market price	Indigenous petroleum	6%

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Excise Tax

Excise Tax on Sweetened Beverage

Tax Rate and Base

P 6.00 / Liter (L)

With Caloric and/or Non-Caloric Sweeteners

P 12.00 / L

With purely/partly High Fructose Corn Syrup

Persons liable:

- Local manufacturer, Importer
- Person in possession of untaxed beverage

Time of payment: Prior to removal from place of production

Definition

Sweetened beverage refer to:

- *Non-alcoholic beverages in liquid, powdered or concentrate form, sold pre-packed & sealed*
- *Contains caloric and/or non-caloric sweeteners*

Coverage

1. Sweetened juice drinks
2. Sweetened tea
3. All carbonated beverages
4. Flavored water
5. Energy and sports drink
6. Cereal and grain beverages
7. Other powdered drinks not classified as milk, juice, tea and coffee
8. Other non-alcoholic beverages that contain added sugar

Exclusions

- Sweetened beverages for export
- Beverages sweetened using
 - Coconut Sap Sugar
 - Steviol Glycosides
- **All Milk Products** (formula, powdered, ready-to-drink, soy milk, etc.)
- 100% Natural Fruit/Vegetable Juices
- Meal Replacement and Medically Indicated Beverages
- Coffee products

Excise Tax on Cosmetic Procedures

Tax Rate and Base

5%

On gross receipts net of ET and VAT

Persons liable:

- Doctor/Clinic/Hospital which performed the procedure (issued the OR)
- Tax shall be passed on to patient

Coverage & Exclusion

- **Covered:** Invasive cosmetic procedures and surgeries directed solely towards improving, altering, or enhancing the patient's appearance
- **Excluded:** Non-invasive procedures or procedures necessary to ameliorate a deformity arising from congenital or developmental defect, injury from an accident/ trauma, or disfiguring disease, tumor, infection

For questions or clarifications about TRAIN, contact
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