

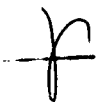
SEVENTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session



Senate
Office of the Secretary

'16 JUL 20 P 4:06

SENATE
S.B. No. 691

RECEIVED BY: 

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

AN ACT
AMENDING SECTION 150 OF REPUBLIC ACT 8424, OTHERWISE KNOWN AS THE NATIONAL
INTERNAL REVENUE CODE, AS AMENDED

EXPLANATORY NOTE

Whether young or old, ingrained in the Filipino psyche and in our daily hygiene is the use of baby cologne.

In a survey of Filipino consumers, baby colognes ranked second only to shampoo in regular usage, placing it above powder, lotion, and hand sanitizers.¹

Further, 98% of the splash cologne consumers are from the economic classes C, D, and E with Class D taking up 54% of the market share.²

This Act aims to recognize splash cologne as an essential good, setting it apart from perfumes and other luxury fragrances by ascertaining the concentration of the essential oils or perfume in the product.

The proposed amendment is in line with the legal definition already set by Revenue Regulations No. 8 to 84.³


By aligning and streamlining the definition for baby cologne or "toilet water" and recognizing such as an essential good and taxing them accordingly, we will be able to protect our low-income households from unnecessary surges in prices of their inexpensive, but fragrant cologne, and at the same time, provide appropriate support to the baby cologne industry.

¹ CCIP Legislative Position Paper: Page 7. Source: Myriad Tracking 2012.

² CCIP Legislative Position Paper: Page 6. Source: Adult USA

³ CCIP Legislative Position Paper: Page 3. Source: Revenue Regulations No. 8-84, 1977 Tax Code, Section 194.

In view of the foregoing, immediate approval of this bill is earnestly sought.


Senator Paolo Benigno "Bam" A. Aquino IV

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

1 **SECTION 1.** Section 150 of the National Internal Revenue Code, as amended, is
2 hereby further amended to read as follows:

3 "Sec. 150. *Non-essential Goods.* – There shall be levied, assessed and collected a tax
4 equivalent to twenty-percent (20%) based on the wholesale price or the value of
5 importation used by the Bureau of Customs in determining tariff and customs duties,
6 net of excise tax and value-added tax, of the following goods:

- 7 (a) XXX.
- 8 (b) Perfumes and toilet waters **WITH PERFUME/ESSENTIAL OIL CONTENT OF**
9 **MORE THAN THREE (3) PERCENT BY WEIGHT."**

10 **SEC. 2. *Implementing Rules and Regulations.*** – Within sixty (60) days from the
11 effectivity of this Act, the Commissioner of the Bureau of Internal Revenue shall issue the
12 necessary rules and regulations for the implementation of this Act.

13 **SEC. 3. *Separability Clause.*** – Should any provision herein be declared
14 unconstitutional, the same shall not affect the validity of the other provisions of this Act.

15 **SEC. 4. *Repealing Clause.*** – All laws, decrees, orders, rules and regulations, and
16 other issuances, or parts thereof, inconsistent with the provisions of this Act are hereby
17 repealed or modified accordingly.

18 **SEC. 5. *Effectivity Clause.*** – This Act shall take fifteen (15) days after its publication in
19 the *Official Gazette* or in two (2) newspapers of general circulation in the Philippines.

20 *Approved,*