

[REPUBLIC ACT NO. 10864, June 10, 2016]

**AN ACT DEFINING RAW SUGAR OR RAW CANE SUGAR,
AMENDING SECTION 109(A) AND (F) OF THE NATIONAL
INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR
OTHER PURPOSES**

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

SECTION. 1. Section 109(A) and (F) of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:

"SEC. 109. *Exempt Transactions.* - (1) Subject to the provisions of subsection (2) hereof, the following transactions shall be exempt from the value-added tax:

"(A) Sale or importation of agricultural and marine food products in their original state, livestock and poultry of a kind generally used as, or yielding or producing foods for human consumption; and breeding stock and genetic materials therefor.

"Products classified under this paragraph shall be considered in their original state even if they have undergone the simple processes of preparation or preservation for the market, such as freezing, drying, salting, broiling, roasting, smoking or stripping. Polished and/or hushed rice, corn grits, raw sugar or raw cane sugar and molasses, ordinary salt and copra shall be considered in their original state;

"For this purpose, notwithstanding the process/es involved its production, 'raw sugar or raw cane sugar' means sugar whose content of sucrose by weight, in the dry state, corresponds to a polarimeter reading of less than 99.5 degrees."

"x x x.

"(F) Services by agricultural contract growers and milling for others of palay into rice, corn into grits and sugar cane into raw sugar or raw cane sugar."

"x x x."

SEC. 2. *Implementing Rules and Regulating.* - The Secretary of Finance, upon the recommendation of the Commissioner of Internal Revenue, shall issue the implementing rules and regulations of this Act within ninety (90) days starting from