

[REPUBLIC ACT NO. 9224, August 29, 2003]

**AN ACT RATIONALIZING THE EXCISE TAX ON AUTOMOBILES,
AMENDING FOR THE PURPOSE THE NATIONAL INTERNAL
REVENUE CODE OF 1997, AND FOR OTHER PURPOSES**

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

SECTION 1. Section 149 of the National Internal Revenue Code of 1997 is hereby amended to read as follows:

"SEC. 149. *Automobiles.* — There shall be levied, assessed and collected an *advalorem* tax on automobiles based on the manufacturer's or importer's selling price, net of excise and value-added taxes, in accordance with the following schedule:

Net manufacturer's price/importer's selling price	Rate
up to P600 Thousand	2%
Over P600 Thousand to P1.1 Million	P12,000 + 20% of value in excess of P600 Thousand
Over P1.1 Million to P2.1 Million	P12,000 + 40% of value in excess of P1.1 Million
Over P2.1 Million	P52,000 + 60% of value in excess of P2.1 Million

Provided, That the brackets reflecting the manufacturer's price or importer's selling price, net of excise and value-added taxes, will be indexed by the Secretary of Finance once every two (2) years if the change in the exchange rate of the Philippine peso against the United States (U.S.) dollar is more than ten percent (10%) from the date of effectivity of this Act, in the case of initial adjustment and from the last revision date in the case of subsequent adjustments. The manufacturer's price or importer's selling price, net of excise and value-added taxes, shall be indexed by the full rate of the peso depreciation or appreciation, as the case may be.

Provided, further, That in case the change in the exchange rate of the Philippine peso against the U.S. dollar is at least twenty percent (20%) at anytime within the two-year period referred to above, the Secretary of