

[REPUBLIC ACT NO. 6633, October 23, 1972]

AN ACT AMENDING SUB-PARAGRAPHS (3) AND (4), PARAGRAPH B OF SECTION ONE HUNDRED AND THIRTY-SEVEN OF COMMONWEALTH ACT NUMBERED FOUR HUNDRED AND SIXTY-SIX, AS AMENDED.

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

SECTION 1. Subparagraphs (3) and (4), paragraph B, Section one hundred and thirty-seven of Commonwealth Act Numbered Four hundred and sixty-six, as amended, is hereby further amended to read as follows:

"SEC. 137

"(B) * * *

(3) On cigarettes made of leaf tobacco other than Philippine grown flue-cured and/or re-dried Virginia type tobacco and imported Virginia type tobacco, without the use of added liners and/or protective films such as aluminum foils, cellophane, polypropylene and/or other materials of similar nature, of eighty-one millimeters or less in length, packed in thirty cigarettes or more per pack, on each thousand, three pesos: *Provided*, That if the length exceeds eighty-one millimeters, the tax shall be increased by fifty *per centum*; *Provided, further*, That if the length exceeds one hundred twenty-one millimeters, the tax shall be increased by one hundred *per centum*, but if added liners and/or protective films such as aluminum foils, cellophane, polypropylene and/or materials of similar nature are used, on each thousand, the tax shall be four pesos if the length does not exceed eighty-one millimeters which shall be increased by fifty *per centum* if the length exceeds eighty-one millimeters and by one hundred *per centum*, if the length exceeds one hundred twenty-one millimeters. If the cigarettes under this subparagraph are packed in twenty cigarettes or less per pack and the length does not exceed eighty-one millimeters, on each thousand the tax shall be four pesos: *Provided*, That if the length exceeds eighty-one millimeters, the tax shall be increased by fifty *per centum*: *Provided, further*, That if the length exceeds one hundred twenty-one millimeters, the tax shall be increased by one hundred *per centum*.

"Leaf tobacco out of which cigarettes under subparagraphs (1), (2) and (3) of this paragraph are manufactured or made are hereby classified as Class A, B, and C, respectively. Cigarettes so made or manufactured must indicate on their packs or packages, in print and in a distinctive manner as may be provided by the Commissioner of Internal Revenue,

the class of their leaf tobacco contents.

"Failure to comply with this requirement, or any false designation or false advertisement of the class of tobacco contents, shall constitute an offense punishable with the same penalties prescribed in Section One Hundred Seventy-four of this Act."

"(4) If the cigarettes are mechanically wrapped or packed, the tax provided for in subparagraphs (1), (2) and (3), as the case may be, paragraph B, of this section, shall be increased by one hundred and twenty *per centum* per thousand cigarettes.

"Cigarettes shall be considered as mechanically wrapped or packed when at any stage of the wrapping or packing, a machine or any mechanical contrivance shall have been used.

"(5) If the cigarettes are manufactured purely out of imported leaf tobacco, the tax provided for in subparagraph (2), paragraph (B) of this section shall apply and shall be increased by one hundred and twenty *per centum* per thousand cigarettes.

"Any provision of Republic Act Numbered Twelve hundred eighty-seven to the contrary notwithstanding, any process of chemical treatment of tobacco leaves shall not be allowed.

"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 importations plus all expenses incurred until the cigars are finally sold by the manufacturer or importer, such cost plus expenses shall determine the amount of tax to be applied.

"Every manufacturer or importer of cigars shall file with the Commissioner of Internal Revenue on the date or dates designated by the latter, a sworn statement showing the maximum wholesale price of cigars, together with the cost of manufacture or importation plus expenses incurred or to be incurred until the cigars are finally sold and it shall be unlawful to sell said cigars at wholesale at a price in excess of the one specified in the statement required by this Title without previous written notice to said Commissioner of Internal Revenue. In the case of imported cigars, the sworn statement required herein shall be accompanied by verified sales invoices of the manufacturers of the cigars as well as the consular invoice issued by a Philippine Consul, should one be available at the place of origin or shipment.

"Every manufacturer or importer of cigarettes shall file with the