

[EXECUTIVE ORDER NO. 195, June 17, 1987]

AMENDING PARAGRAPH (B) OF SECTION 128 OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED, BY REVISING THE EXCISE TAX RATES ON CERTAIN PETROLEUM PRODUCTS.

WHEREAS, the upward trend in the world prices of crude oil has made it necessary to adjust the prices of domestic petroleum products;

WHEREAS, in the adjustment of oil prices, it is likewise necessary to restructure the excise tax components thereof in order to cushion the impact of increased prices of petroleum products on the economy; and

WHEREAS, in restructuring the excise tax components of certain petroleum products, it becomes imperative to adopt the pure ad valorem tax scheme in order to provide for a built-in flexibility to price changes and obviate frequent revisions of tax rates as a result of fluctuations in crude oil prices.

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, do hereby order that:

SECTION 1. Paragraph (b) of Section 128 of the National Internal Revenue Code, as amended, is hereby amended to read as follows:

“Par. (b) – For products subject to ad valorem tax only:

Product	Ad Valorem Tax Rate
1. Naphtha, gasoline and other similar products of distillation	48%
2. Aviation turbo jet fuel	48%
3. Thinners and solvents	48%
4. Fuel oil, commercially known as bunker fuel and on similar fuel oils having more or less the same generating power	0%
5. Fuel oil, commercially known as diesel fuel oil, and on similar fuel oils having more or less the same generating power	24%
6. Kerosene	24%
7. Liquefied petroleum gas	24%
8. Asphalts	24%

“The ad valorem tax imposed in this paragraph shall be based on the company take or netback on the product as approved by the Energy Regulatory Board including the said ad valorem tax.”