

**[BOC MEMORANDUM CIRCULAR NO. 242-98, July
24, 1998]**

EXCISE TAX ON IMPORTED FINISHED PETROLEUM PRODUCTS

Attached herewith is a letter from the Commissioner of the Bureau of Internal Revenue clarifying certain issues on the applicability of Sections 128 and 157 of the National Internal Revenue Code of 1977 with respect to the payment of excise tax on imported finished petroleum products, stating among others, that importers of petroleum products which have been issued Commingling Permits by BIR are the only ones allowed to release imported goods from customs custody without prepayment of excise tax. And as of the date of the said letter, March 6, 1998, only Petron Corporation, Pilipinas Shell Petroleum Corporation and Caltex Philippines, Inc. have been issued Commingling Permits. Therefore, all other importers of finished petroleum products are required to pay excise tax before removal of the same from customs custody.

For your information and guidance.

Adopted: 24 July 1998

(SGD.) JULITA S. MANAHAN
Deputy Commissioner
Internal Administration Group

"ATTACHMENT"

Commissioner Guillermo L. Parayno, Jr.

Bureau of Customs
Port Area, Manila

Dear Commissioner Parayno:

This is in connection with your telephone inquiry on the applicability of Sections 128 and 157 of the National Internal Revenue Code of 1977 with respect to the payment of excise tax on imported finished petroleum products.

In reply thereto, please be informed as follows:

1. Payment of excise tax on imported petroleum products, in general, is due before release of such goods from customs custody and the said tax shall be paid by the importer to your Bureau. However, pursuant to Section 157 of the Tax Code, importers of petroleum products who have refinery facilities duly registered with the BIR are allowed to remove from customs custody imported petroleum products without prepayment of excise tax for commingling with their bonded stocks provided an appropriate Commingling Permit has been secured from the