

Office of the President  
of the Philippines  
Malacañang

JAN 22 2020

**SEN. VICENTE C. SOTTO III**  
Senate President  
The Philippine Senate  
Pasay City

Mr. Senate President:

We respectfully transmit herewith two original copies of:

**R.A. 11467** – “AN ACT AMENDING SECTIONS 109, 141, 142, 143, 144, 147, 152, 263, 263-A, 265, AND 288-A, AND ADDING A NEW SECTION 290-A TO REPUBLIC ACT NO. 8424, AS AMENDED, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF 1997, AND FOR OTHER PURPOSES,”

which was signed by President Rodrigo Roa Duterte, together with his line-veto message in accordance with Article 6, Section 27(2) of the Constitution, which provides that “the President shall have the power to veto any particular items in an appropriation, revenue or tariff bill.”

Best regards.

Very truly yours,

  
**SALVADOR C. MEDIALDEA**  
Executive Secretary

Copy furnished:

**Speaker Alan Peter S. Cayetano**  
Speaker of the House  
House of Representatives  
Batasan Hills, Quezon City

**Sec. Adelino B. Sitoy**  
Head  
Presidential Legislative Liaison Office  
2/F New Executive Bldg.  
Malacañang, Manila



MALACAÑAN PALACE  
MANILA

JAN 22 2020

**THE HONORABLE SENATE PRESIDENT**  
**and Members of the Senate**  
Senate of the Philippines  
GSIS Building, Financial Center  
Roxas Boulevard, Pasay City

Ladies and Gentlemen:

In accordance with my firm commitment to uplift the lives of the Filipino people, I hereby sign into law **Republic Act (RA) No. 11467**, entitled:

**"AN ACT AMENDING SECTIONS 109, 141, 142, 143, 144, 147, 152, 263, 263-A, 265, AND 288-A, AND ADDING A NEW SECTION 290-A TO REPUBLIC ACT NO. 8424, AS AMENDED, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF 1997, AND FOR OTHER PURPOSES."**

The passage of the bill increasing the excise taxes on alcohol, heated tobacco and vapor products, and expanding the coverage of value-added tax -exempt sales and importation of medicines, is a welcome development in the government's efforts to protect the public's health from the ill effects of sin products, and in ensuring equitable access and affordable healthcare services to every Filipino through the additional revenues for the implementation of Republic Act No. 11223, otherwise known as the Universal Health Care (UHC) Act.

However, I am constrained to **veto Section 5** of the measure, which amends the second paragraph of Section 152 of the National Internal Revenue Code (NIRC) as this unduly curtails the search and seizure powers of the Bureau of Internal Revenue (BIR). The phrase "upon order of the court" unnecessarily requires the BIR, in the exercise of its mandate to examine, search, and seize under Section 171 of the NIRC, as amended, to secure an order from the court before its officers may be allowed to enter any house, building, or place where tobacco, heated tobacco, and vapor products are produced or kept, or are believed to be produced or kept. Such restriction does not exist with respect to any other taxable article.

Under Section 27(2) of Article VI in the 1987 Constitution, the President may veto particular items in an appropriation, revenue, or tariff bill, but the veto shall not affect the item or items to which he does not object. This power covers items of appropriation, revenue, tariff, as well as inappropriate provisions in the measure. As such, I hereby register the **item veto of Section 5** of the measure which was intended to further amend Section 152 of the NIRC, as it effectively curtails the power of the State to collect taxes, and renders powerless the BIR to effectively implement enforcement mechanisms against illicit tobacco products.

THE PRESIDENT OF THE PHILIPPINES

power of the State to collect taxes, and renders powerless the BIR to effectively implement enforcement mechanisms against illicit tobacco products.

I commend the wisdom of Congress in acknowledging the unregulated manufacture, proliferation, distribution and use of heated tobacco products and vapor products in the country, and accordingly establishing a framework for the regulation thereof by the Food and Drug Administration (FDA). Given such framework, and considering that the Implementing Rules and Regulations mentioned in the bill will be limited to a revenue measure that will be issued by the Secretary of Finance upon the recommendation of the BIR, the members of Congress may be pleased to note that I am instructing the FDA to formulate the intended regulatory framework, and the relevant agencies to immediately operationalize the same upon issuance.

I am confident that the multi-tiered effect of this law as a cost-effective health measure to reduce smoking and alcohol consumption among Filipinos support the UHC Act. Coupled with its positive impact in improving domestic resource mobilization, this measure will significantly reinforce and advance this administration's commitment to provide a better quality of life for every Filipino.

I VETO

Very truly yours,



Copy furnished:

**Sen. Vicente C. Sotto III**  
Senate President  
The Philippine Senate  
Pasay City

**Sec. Adelino B. Sitoy**  
Head  
Presidential Legislative Liaison Office  
2/F New Executive Bldg.  
Malacañang, Manila

