



HOUSE OF REPRESENTATIVES

H. No. 7292

BY REPRESENTATIVES SALCEDA, SUANSING (M.A.), BASCUG, AQUINO-MAGSAYSAY, DIONISIO, DAYANGHIRANG, HARESCO, LAGON (S.), TY, YAP (ERIC), LUISTRO, EUDELA, KHO (R.), SALO, TULFO (J.), DAGOOC, CUA, PUMAREN, ALVAREZ (J.), PADIERNOS, ORDANES, LOYOLA, GUTIERREZ, SALIMBANGON, LEE, SORIANO, TARRIELA, TAMBUNTING, SUAN, DUTERTE, CAOAGDAN, VERZOSA, RODRIGUEZ (R.), CRUZ (A.), FUENTEBELLA, BARONDA, GARIN, PANOTES, CHATTO, MERCADO, CAGAS, SUANSING (H.), REYES, LACSON-NOEL, VERGARA, ROBES, CAJAYON-UY, ATAYDE, ALBA, CALDERON, BOLILIA, BARBERS, CUARESMA, SINGSON-MEEHAN, TAN (S.J.), RECTO, ALVAREZ (M.), BERNOS, GORRICETA AND DALIPE, PER COMMITTEE REPORT NO. 330

**AN ACT
CREATING A VAT REFUND MECHANISM FOR NON-RESIDENT TOURISTS,
ADDING FOR THE PURPOSE A NEW SECTION 112-A TO THE NATIONAL
INTERNAL REVENUE CODE OF 1997, AS AMENDED**

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

1 **SECTION 1.** A new Section 112-A is hereby inserted after Section 112 of the National
2 Internal Revenue Code of 1997, as amended, to read as follows:

3 **“SEC. 112-A. TOURIST VAT REFUND. – A TOURIST SHALL BE**
4 **ELIGIBLE FOR A VALUE-ADDED TAX (VAT) REFUND ON GOODS**
5 **PURCHASED FROM ACCREDITED RETAILERS IN THE**
6 **PHILIPPINES IF SUCH GOODS ARE TAKEN OUT OF THE COUNTRY**
7 **WITHIN SIXTY (60) DAYS FROM THE DATE OF PURCHASE, AND**
8 **THE VALUE OF GOODS PURCHASED PER TRANSACTION**
9 **AMOUNTS TO AT LEAST THREE THOUSAND PESOS (PHP3,000.00):**
10 **PROVIDED, THAT SUCH THRESHOLD MAY BE ADJUSTED**
11 **CONSIDERING THE ADMINISTRATION COST FOR THE REFUND,**
12 **THE CONSUMER PRICE INDEX, OR OTHER MARKET CONDITIONS,**

1 AS DETERMINED BY THE SECRETARY OF FINANCE UPON
2 RECOMMENDATION OF THE SECRETARY OF TOURISM AND THE
3 COMMISSIONER OF INTERNAL REVENUE: *PROVIDED, FURTHER,*
4 THAT THE ADMINISTRATION OF THE REFUND PROCESS SHALL
5 BE CONDUCTED THROUGH ONE OR MORE SERVICE PROVIDERS.

6 “FOR PURPOSES OF THIS SECTION, A ‘TOURIST’ SHALL
7 REFER TO A FOREIGN PASSPORT HOLDER, WHO IS A NON-
8 RESIDENT INDIVIDUAL NOT ENGAGED IN TRADE OR BUSINESS IN
9 THE PHILIPPINES.”

10 **SEC. 2.** *Implementing Rules and Regulations.* – Within thirty (30) days from the
11 effectivity of this Act, the Secretary of Finance shall promulgate the necessary rules and
12 regulations for its effective implementation.

13 **SEC. 3.** *Repealing Clause.* – All laws, decrees, executive orders, implementing rules
14 and regulations, issuances, or any part thereof inconsistent with the provisions of this Act are
15 deemed repealed, amended, or modified accordingly.

16 **SEC. 4.** *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in
17 the *Official Gazette* or in a newspaper of general circulation.

Approved,