

REVENUE MEMORANDUM CIRCULAR NO. 18-2002 issued on May 31, 2002 circularizes the interpretation by the Supreme Court of the Philippines of the pertinent provisions of Section 140 of the National Internal Revenue Code (NIRC) of 1997.

In view of the Supreme Court decision, all removals of stemmed leaf tobacco by leaf tobacco dealers are subject to the specific tax of ₱ 0.75 per kilogram imposed under Section 144 of the NIRC, in addition to the inspection fee imposed under Section 146 of the same Code. However, removals of said leaf tobacco product by an L-7 (a manufacturer of tobacco products), for delivery to another L-7 shall be exempt from such specific tax pursuant to said Supreme Court decision.