SEIZED CIGARETTE MAKING EQUIPMENT AND MACHINES DESTRUCTED

PORAC, Pampanga. The Bureau of Internal Revenue (BIR) today caused the destruction of unregistered and illegally operated cigarette-making equipment and machineries to discourage those who had invested in these costly equipment and machineries. The destruction of these machineries ensure that these devices can never be used by those with further interest in pursuing illegal cigarette manufacturing.

In 2017, Mighty Corporation was snagged for illegally manufacturing cigarettes using counterfeit tax stamps thereby defrauding the government of much needed revenues by the tune of ₱37.88 Billion. Reeling from and succumbing to the efforts of this administration to collect what is due to the government, it settled its liabilities by paying ₱30 Billion and another ₱10 Billion for payment of taxes and penalties and dropped out of the tobacco business. This would have served as a deterrent to others engaged in similar illegal activities.

Despite this milestone in tax enforcement, the government did not rest on its achievements and continued its crackdown on illicit cigarette trading. With the imposition of higher excise taxes on tobacco products at ₱32.50 in 2018 pursuant to RA No. 10963 or the Tax Reform for Acceleration and Inclusion (TRAIN) Law, unscrupulous businesses still pursued this unlawful activity which to them is lucrative and rewarding by selling cigarettes at a much lower price per pack by using bogus tax stamps. By being proactive and working together with the legitimate players in the tobacco industry, possible losses worth an estimated ₱20 Billion in 2018 alone was negated.

Instrumental to the crackdown on illegal business activities, BIR created a STRIKE Team to swiftly respond and enforce tax laws and regulations against those engaged in this illegal activity and curtail the illicit manufacturing of cigarettes using counterfeit tax stamps.

The BIR STRIKE Team made substantial strides by dutifully confiscating and seizing counterfeit cigarette tax stamps, materials, finished goods and machinery in sting operations carried out nationwide.

In 2018, the BIR STRIKE Team seized 5,227 master cases of cigarettes, 4 cigar making machines, 6 packaging machines and 4 filter making machines. These cigarette making equipment and machineries were secured and rendered inoperable for their eventual destruction.

Witnessing today’s destruction proceedings at the DiGaMa Waste Management Facility were Department of Finance (DOF) Secretary Carlos G. Dominguez III, BIR Commissioner Caesar R. Dulay, Deputy Commissioner Arnel SD. Guballa, and other DOF and BIR officials and employees. (pabg)