

# A Concept Paper on Pink Tax and Tampon Tax\*

## I. Introduction

Women in the Philippines and around the world have long fought against different forms of violence and disenfranchisement in many aspects of life and society. More often, women are more prone to poverty and are less likely to cross the poverty line (UN Women, 2021). They are also generally paid less than men of the same industry, skillset, and seniority (UN Women, n.d.). Further, there are disparities between consumer prices for essential goods and services, causing more long-term economic burdens for women compared to men. Increased expenses simply based on gender lead to discussions about unfairness.

This paper examines the taxes that only women pay, namely the pink tax and the tampon tax, and how these may be regulated in aid of possible future legislation.

## II. Comments and Observations

### A. Definition of pink tax and tampon tax

The pink tax is defined as the discriminatory price discrepancy of similar goods and services marketed to females as compared to their male counterparts. From an industry perspective, the pink tax occurs when distributors or manufacturers sell and set higher prices for products or services designed ‘for women’. Park (2023) presented the concept as such:

“It is a compound of the English words of color pink, traditionally symbolizing the feminine, and tax. It does not mean a real tax but a tax that is exclusively imposed on women, causing higher expenses for women’s goods compared to those for men... The earliest research on gender-specific product price investigation and comparison was conducted in 2011 by researchers in the field of gender studies. Duesterhaus, et al. (2011) examined in their studies the gender-specific differences in payment for haircuts, dry cleaning, and personal care products within the US industries. It was found that women had to pay an average of USD12 more for a haircut at high-end hair shops and USD1.89 more for dry cleaning for a shirt than men. A survey which compared the prices of 538 personal care products, focusing on online stores, showed significant gender-specific price differences in the categories of deodorants and body sprays. The online stores included in the study

---

\* Prepared by Jemimah Kezia G. Jonson, Economist II, reviewed by Atty. Lianne Carmeli B. Fronteras, Supervising Tax Specialist, and approved by Monica G. Rempillo, Economist V, Economics Staff, and OIC-Deputy Executive Director, Tax Research Group, NTRC.

*The NTRC Tax Research Journal is the official publication of the National Tax Research Center. The views and opinions expressed are those of the NTRC and do not necessarily reflect the views and opinions of the Department of Finance, its bureaus and government corporations under its supervision.*

were Target, Walmart, CVS, and Walgreens, and the items included were deodorant, shave gel/cream, a razor, and body spray. The research findings demonstrated that the needs of the gendered self are satisfied by consumerism, and gender-specific expectations learned on a socio-cultural basis make women accept higher expenses to maintain femininity.” (p. 47-48)

Subsequently, the matter became very prominent in 2015 when the New York City-Department of Consumer Affairs (NYC-DCA) released a study on gender pricing which estimated the price differences of the same types of goods sold to male and female consumers. The goods selected for the said study were predominantly similar in terms of branding, ingredients, appearance, textiles, construction, and marketing (New York City Department of Consumer Affairs, 2015).

On the other hand, there is a tax that only women pay. This is referred to as the tampon tax, which is simply the consumption tax, such as value-added tax (VAT) or goods and services tax (GST), levied for items used by women only. These are commodities such as tampons, sanitary products, menstrual pads and liners, and menstrual cups, among others. (Baptista, 2023). In essence, women do not have the option to not buy these products, that are generally levied with VAT or GST as other products.

## **B. Coverage of pink tax and tampon tax**

According to the NYC-DCA study, across five industries, 24 stores, 91 brands, 35 product categories, and 794 products, women's products are priced 7% more than their male counterparts on average. The pricing disparity frequency against females was 42% as compared to 18% for males. This means that out of 397 comparisons, women pay 168 times more while men pay 72 times more. The study also reiterated that though there may be underlying justifications for the price disparities against women, such as textiles or ingredients used in the products, these are beyond the control of female consumers and are generally unavoidable as they avail of these essential goods with stocks that are periodically replenished. Hence, the impact of this pink tax grows over the course of a female's lifetime, affecting her finances (New York City Department of Consumer Affairs, 2015).

In particular, the NYC-DCA showed that children and accessories for females cost 7% more, with an average difference of USD14.92. On the other hand, female children's clothing costs 4% more at an average of USD7.12 while female adult clothing is more expensive by 8% at an average of USD21.53. For personal care products, female counterparts are priced at USD6.43 or 13% more, and female senior/home health care products are priced at USD10.38 or 8% more. (see Table 1)

**Table 1***Average Price of Different Types of Products for Male and Female, 2015*

Category	Product	Number of products	Female average (in USD)	Male average (in USD)	Price difference (in USD)	Percent difference
Toys and accessories	Bikes and scooters	22	86.72	81.90	4.82	6
	General toys	20	29.49	26.49	3.00	11
	Backpacks	20	25.99	25.79	0.20	1
	Pre-school toys	14	21.65	19.85	1.80	9
	Helmets and pads	20	25.79	22.89	2.90	13
	Arts and crafts	10	32.79	30.59	2.20	7
	Children's shirt	20	15.82	13.95	1.87	13
Children clothing	Children's jeans	20	24.63	22.83	1.80	8
	Baby pants	20	18.33	16.77	1.56	9
	Onesies	20	20.91	20.07	0.84	4
	Baby sweaters	20	24.87	23.39	1.48	6
	Baby shirts	20	12.58	12.38	0.20	2
	Baby shoes	20	20.69	20.07	0.62	3
	Children's underwear	20	17.67	18.17	0.50	3
	Toddler shoes	8	28.85	29.60	0.75	3
	Dress pants	40	75.66	71.71	3.95	6
	Dress shirt	40	58.11	51.46	6.65	13
Adult clothing	Sweaters	42	63.19	59.45	3.74	6
	Jeans	50	62.75	57.09	5.66	10
	Shirts	40	29.23	25.51	3.72	15
	Socks	40	9.98	9.73	0.25	3
	Underwear	40	8.46	10.90	2.44	29
	Shampoo and conditioner	16	8.39	5.68	2.71	48
Personal care products	Razor cartridges	18	17.30	15.61	1.69	11
	Razor	20	8.90	7.99	0.91	11
	Lotion	10	8.25	7.43	0.82	11
	Deodorant	20	4.91	4.75	0.16	3
	Body wash	18	5.70	5.40	0.30	6
	Shaving cream	20	3.73	3.89	0.16	4
Senior/ Home Health care products	Supports and braces	22	37.17	32.43	4.74	15
	Canes	6	21.99	19.66	2.33	12
	Compression socks	24	27.86	26.77	1.09	4
	Adult diapers	22	32.71	32.06	0.65	2

Category	Product	Number of products	Female average (in USD)	Male average (in USD)	Price difference (in USD)	Percent difference
	Personal urinals	12	11.32	9.32	2.00	21
	Digestive health	20	9.41	9.84	0.43	5
Total		794	911.80	851.42	60.38	7

*Note.* New York City Department of Consumer Affairs. (2015). From Cradle to Cane: The Cost of Being a Female Consumer (A Study of Gender Pricing in New York City). Retrieved from <https://www.nyc.gov/assets/dca/downloads/pdf/partners/Study-of-Gender-Pricing-in-NYC.pdf>

In the Philippines, the literature on the discriminatory pricing of products intended for female use, commonly known as the pink tax, is very limited. There has not yet been a comprehensive study which describes the disparity between male and female-marketed goods with estimates of their significant differences, if there are any. However, a number of similar goods marketed for both males and females have been found to exhibit price disparity upon inspection of products retailed by means of online selling applications.

Some products exhibiting the pink tax through the online application include children's toys (twist cars and in-line scooters), infant and children's clothes (bodysuits or onesies), adult clothes (long sleeves/pullovers), and personal care products (deodorant). From this checking, it was observed that female-marketed products across categories are 15% more expensive than their male counterparts (see Table 2). This is more than 100% the average price difference reported by the NYC-DCA in 2015. Even so, it is worth noting that this very limited review of prices available in the market with scope only covering products sold online does not conclude the significant presence or absence of pink tax in the Philippines. It may also be argued that women's products often have different features or elements, such as design, materials, and packaging, that make them more expensive to produce.

**Table 2**

*Average Price of Different Types of Products for Males and Females Sold in an Online Selling Application in the Philippines, 2023*

Category	Item	Female price (in PhP)	Male price (in PhP)	Price difference (in PhP)	Percent difference
Toys	Twist car	1,099	989	110	11
	In-Line Scooter	1,100	1,300	200	18
Children clothing	Bodysuits/Onesies	629	549	80	15
	Jogger pants	560	400	160	40
Adult clothing	Long Sleeves/Pullover	809	599	210	35
Personal care product	Deodorant (Bundle of 2, 135 ml)	530	287	243	85
	Average	787.83	687.33	100.50	15

### C. Regulations for pink tax and tampon tax

At present, there is no known country which has outlawed the practice of such discriminatory pricing. In the USA, however, there were three local legislations that banned unfair pricing for one gender. The Gender Tax Repeal Act of 1995 has been enacted in California, which makes it mandatory for establishments to charge equally for all their male and female clients availing of services that require similar time, costs, and skills to provide. This includes haircuts, clothing alterations, and dry cleaning, among others. The previous version of this bill, which includes discriminatory pricing in goods, did not pass (Fontinelle, 2023).

New York City also required retail establishments to refrain from pricing their services based on gender, wherein violators shall be fined by the NYC-DCA. Complaints with regard to discriminatory pricing may be reported through the City's website. Lastly, Miami-Dade County has an ordinance applicable to the pricing of both goods and services which prohibits disparity in the cost of essentially similar products with similar amounts and quality of inputs to be manufactured. Complaints with regard to the matter shall be reported in writing to the Consumer Services Department, where the offended party may file suit for damages, attorney fees, and court costs. (Fontinelle, 2023)

Meanwhile, in terms of the tampon tax, a number of countries have already followed the lead of Kenya as the first state to remove VAT on menstrual products. As of January 2023, the following countries had adopted laws that either reduced or removed VAT on tampons and similar products. While Scotland made all menstrual hygiene products free for all, a total of 17 countries reduced VAT on tampons and similar products, including Nepal, Germany, Italy, Sri Lanka, Belgium, France, Spain, Portugal, the Netherlands, Poland, Vietnam, Slovakia, Luxembourg, Turkey, Ethiopia, Austria, and Slovenia. On the other hand, tax exemptions were granted on the sale of menstrual products in 10 countries, including Rwanda, Australia, Lebanon, Bangladesh, Nigeria, South Korea, Saint Kitts and Nevis, Malaysia, Bhutan, and Malawi. Lastly, at least 18 countries levied a zero VAT rating for these products, including the United Kingdom, Ireland, Kenya, South Africa, Canada, Uganda, India, Colombia, Mauritius, Lesotho, the Maldives, Trinidad and Tobago, Mexico, Ecuador, Jamaica, Guyana, the Bahamas, and Namibia. Meanwhile, Nicaragua and Tanzania reintroduced the VAT for these products after prior exemption or zero rating (Baptista, 2023) (see Table 3).

In ASEAN, the tax exemption from the previously levied 5% to 10% VAT for sanitary menstrual products was enacted in Malaysia in 2018 as these commodities are considered "miscellaneous manufactured articles". In the same year, Vietnam reduced the VAT on tampons to 5% from the standard rate of 10% as they are tagged as medical equipment (Baptista, 2023).

**Table 3***Cross-Country Comparison of the Pink Tax and Tampon Tax*

Country	Particular	Tax treatment	Year tax was changed
California, USA	Pink tax	Mandatory equal charges for similar services	1995
New York, USA	Pink tax	Mandatory equal charges for similar services	1998
Miami-Dade County, Florida, USA	Pink tax	Mandatory equal charges for similar goods and services	1997
Nepal	Tampon tax	Reduced tax on the import of sanitary pads	2022
Germany	Tampon tax	Reduced VAT from 17% to 7%	2020
Italy	Tampon tax	Reduced VAT from 10% to 5%	2023
Sri Lanka	Tampon tax	Removed 15% customs duty; Reduced VAT from 53% to 42%	2022
Belgium	Tampon tax	Reduced VAT from 21% to 6%	2021
France	Tampon tax	Reduced VAT from 20% to 5.5%	2015
Spain	Tampon tax	Reduced VAT from 10% to 4%	2022
Portugal	Tampon tax	Reduced VAT from 23% to 6%	2008
Netherlands	Tampon tax	Reduced VAT from 21% to 9%	2017
Poland	Tampon tax	Reduced VAT from 8% to 5%	2019
Slovakia	Tampon tax	Reduced VAT from 20% to 10%	2008
Luxembourg	Tampon tax	Reduced VAT from 16% to 3%	2019
Turkey	Tampon tax	Reduced VAT from 18% to 8%	2022
Ethiopia	Tampon tax	Reduced VAT from 30% to 10%	2020
Austria	Tampon tax	Reduced VAT from 20% to 10%	2020
Slovenia	Tampon tax	Reduced VAT from 22% to 9.5%	2021
Rwanda	Tampon tax	Exemption from VAT (18%)	2019
Australia	Tampon tax	Exemption from VAT (10%)	2019
Lebanon	Tampon tax	Exemption on all taxes	2001
Bangladesh	Tampon tax	Exemption from VAT for the import of raw materials	2019
Nigeria	Tampon tax	Exemption from GST	2020
South Korea	Tampon tax	Exemption from VAT	2004
Saint Kitts and Nevis	Tampon tax	Exemption from VAT and import tax	2014
Bhutan	Tampon tax	Exemption from sales tax and import tax	2021
Malawi	Tampon tax	Exemption from import duty and excise tax	2022
United Kingdom	Tampon tax	Zero VAT rating	2021
Ireland	Tampon tax	Zero VAT rating	2010
Kenya	Tampon tax	Zero VAT rating	2004

Country	Particular	Tax treatment	Year tax was changed
South Africa	Tampon tax	Zero VAT rating	2019
Canada	Tampon tax	Zero VAT rating	2015
Uganda	Tampon tax	Zero VAT rating	2005
India	Tampon tax	Zero VAT rating	2018
Colombia	Tampon tax	Zero VAT rating	2018
Mauritius	Tampon tax	Zero VAT rating	2017
Lesotho	Tampon tax	Zero VAT rating	2019
Maldives	Tampon tax	Zero VAT rating	2018
Trinidad and Tobago	Tampon tax	Zero VAT rating	2016
Mexico	Tampon tax	Zero VAT rating	2022
Ecuador	Tampon tax	Zero VAT rating	2021
Jamaica	Tampon tax	Zero VAT rating	1972
Guyana	Tampon tax	Zero VAT rating	2017
Bahamas	Tampon tax	Zero VAT rating	2021
Namibia	Tampon tax	Zero VAT rating	2022
Nicaragua	Tampon tax	Reintroduced VAT (15%)	2019
Tanzania	Tampon tax	Reintroduced VAT	2019
Malaysia	Tampon tax	Exemption from VAT (10%)	2018
Vietnam	Tampon tax	Reduced VAT from 10% to 5%	2018

*Notes.* Baptista, D. (2023, September 2). What is the tampon tax and which countries have axed it? Retrieved from Context: <https://www.context.news/socioeconomic-inclusion/what-is-the-tampon-tax-and-which-countries-have-axed-it>

Fontinelle, A. (2023, March). What Is the Pink Tax? Impact on Women, Regulation, and Laws. Retrieved from Investopedia: <https://www.investopedia.com/pink-tax-5095458>

Although the pink tax and the tampon tax are not literal taxes legislated against female consumers, females are bound to pay a higher tax for both the products with discriminatory pricing and the products that only women consume because the VAT is based on their gross selling price. In particular, Sections 106 and 108 of the National Internal Revenue Code of 1997, as amended, provide that there shall be levied, assessed, and collected on every sale, barter, or exchange of goods or properties a VAT equivalent to 12% of the gross selling price or gross value in money of the goods or properties sold, bartered or exchanged, or services rendered. Hence, females pay more taxes than males with regard to the consumption of essentially similar products.

### III. Conclusion and Recommendation

It is common knowledge that women are still disenfranchised in various ways that is why governments around the world are trying their best to reverse this to achieve gender equality. The treatment of pink tax and/or tampon tax varies among countries, e.g., from exempt, reduced VAT, zero VAT rating, to mandatory no price discrimination for similar products/services. For some territories, the existence of the pink tax and/or tampon tax is a way to raise government revenues given that women, on average, are willing to pay more for certain products, particularly those related to beauty or fashion.

In the Philippines, the issue of pink tax and/or tampon tax has not yet been fully explored. However, based on the samples given above, there is an average of 15% price disparity on products sold online for boys (male) and girls (female). It is important to point out that said price differences may not only be due to the existence of the pink tax but also because of other factors such as design, materials, ingredients, or packaging that make girls'/women's items more expensive to produce. But this argument is not valid when products are functionally identical, like razors and pens.

Given this, there is a need to conduct more in-depth studies relative to the pink tax and tampon tax to determine if they truly exist in the Philippines, their extent, and possible regulation. There may also be a need for legislation prohibiting gender-based price discrimination to help cushion the taxes being paid by women.



## References

- Baptista, D. (2023, September 2). *What is the tampon tax and which countries have axed it?* Retrieved from Context: <https://www.context.news/socioeconomic-inclusion/what-is-the-tampon-tax-and-which-countries-have-axed-it>
- Duesterhaus, M., Grauerholz, L., Weichsel, R., & Guittar, N. (2011). The Cost of Doing Femininity: Gendered Disparities in Pricing of Personal Care Products and Services. *Gender Issues*, 28, 175-191. doi:<https://doi.org/10.1007/s12147-011-9106-3>
- Fontinelle, A. (2023, March). *What Is the Pink Tax? Impact on Women, Regulation, and Laws*. Retrieved from Investopedia: <https://www.investopedia.com/pink-tax-5095458>
- New York City Department of Consumer Affairs. (2015). *From Cradle to Cane: The Cost of Being a Female Consumer (A Study of Gender Pricing in New York City)*. Retrieved from <https://www.nyc.gov/assets/dca/downloads/pdf/partners/Study-of-Gender-Pricing-in-NYC.pdf>
- Park, S. (2023, June). The Occurrence and the Background of 'Pink Tax', the Interaction between Consumers and Industries. *International Journal of Costume and Fashion*, 23(1), 46-58. Retrieved 28 December 2023, from <https://ijcf.ksc.or.kr/xml/37275/37275.pdf>
- UN Women. (2021, March 5). *Four facts you need to know about gender and poverty today*. Retrieved from UN Women: <https://data.unwomen.org/features/four-facts-you-need-know-about-gender-and-poverty-today>
- UN Women. (n.d.). *Equal pay for work of equal value*. Retrieved from UN Women: <https://www.unwomen.org/en/news/in-focus/csw61/equal-pay>