

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS

First Regular Session

House Bill No. 507



Introduced by **Hon. Rodolfo G. Biazon**

EXPLANATORY NOTE

One of the immediate remedial measures being explored in order to address the current power crisis in Mindanao is the deployment of additional power barges. However, the cost of generating power from these barges is very high due to the steep prices of petroleum products in the world market. Further exacerbating the situation is the expanded value added tax being imposed on the sale and importation of these petroleum products.

The burden of producing power at a very high cost is however passed on to the consumers in the form of very high price of electricity and not borne by these power producers. This further strains the already limited budget for the people of Mindanao as it takes precious resources away from their more important basic needs such as food, clothing, medicines and shelter.

This bill seeks to resolve this situation by proposing to exempt the sale and importation of petroleum products for the power barges which shall be utilized to address the power crisis in Mindanao and the sale of electricity generated therefrom, from the Expanded Value Added Tax (EVAT). The exemption being proposed by this measure is envisioned to lower the cost of electricity in order to ease the burden of the people in Mindanao and put back on track the development of the so-called "Land of Promise."

Due to the foregoing, early passage of this bill is earnestly sought.


RODOLFO G. BIAZON
Representative
Lone District, Muntinlupa City

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AN ACT
EXEMPTING THE SALE OR IMPORTATION OF PETROLEUM PRODUCTS FOR
POWER BARGES BEING UTILIZED TO ADDRESS THE POWER CRISIS IN
MINDANAO AND THE ELECTRICITY GENERATED THEREFROM, FROM THE
EXPANDED VALUE ADDED TAX, AMENDING FOR THIS PURPOSE REPUBLIC
ACT NUMBERED EIGHTY FOUR TWENTY FOUR, OTHERWISE KNOWN AS
THE TAX REFORM ACT OF 1997, AS AMENDED, AND FOR OTHER PURPOSES

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

SECTION 1. Section 109 (1), Chapter 1, Title IV, of Republic Act No. 9337, as amended , is hereby further amended by inserting two (2) new sub-paragraphs before sub-paragraph “a” which shall become the new sub-paragraphs “a” and “b” which shall read as follows:

“(A) SALE OR IMPORTATION OF PETROLEUM PRODUCTS FOR POWER BARGES BEING UTILIZED TO ADDRESS THE POWER CRISIS IN MINDANAO;”

“(B) SALE OF ELECTRICITY GENERATED BY POWER BARGES BEING UTILIZED TO ADDRESS THE POWER CRISIS IN MINDANAO;”

Sec. 2. Sub-Paragraphs “a” to “v” of Section 109 (1) Chapter 1, Title IV of the same law are hereby re-lettered accordingly.

Sec. 3. *Duration of the Exemption.* – The exemption granted herein shall be valid and effective for a period of one (1) year from its effectivity, unless sooner withdrawn by a resolution of Congress, and subject to such rights and benefits that may have been vested, and obligations that may have been incurred thereof.

Sec. 4. *Separability Clause.* – If for any reason any provision of this Act is declared

unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

Sec 5. *Repealing Clause.* – All laws, decrees, orders, rules and regulations, or portions thereof, inconsistent with this Act are hereby repealed or modified accordingly.

Sec. 6. *Effectivity Clause.* – This Act shall take effect on the day following its publication in at least two (2) national newspapers of general circulation.

Approved,