

SIXTEENTH CONGRESS
REPUBLIC OF THE PHILIPPINES
FIRST REGULAR SESSION



HOUSE OF REPRESENTATIVES

Introduced by Representative Maximo B. Rodriguez, Jr. and
Representative Rufus B. Rodriguez

House Bill No. 3100

EXPLANATORY NOTE

There has been tremendous increases in the price of oil. This increase in the price of oil is attributed mainly to increase in price of crude oil in the world market. On the other hand, the price of oil in world market is attributed to several factors like decline in petroleum reserves, Middle East tension, and oil price speculation. Just like other countries, the Philippines, being an importer of oil, has been adversely affected by this unfortunate scenario.

The increase in the prices of gasoline, diesel, and kerosene, among others, has directly caused the price of other commodities to soar. The public in general are very much affected by the inflation caused by oil price increase. Although the price of oil in the world market is beyond our control, we should not sit idly and just wait for the time that the price of oil to drop to a manageable level. The government must take measures to limit the adverse effects of increasing price of oil.

This bill seeks to alleviate the sad plight of our country due to extraordinary increases of the price of oil by taking measures to limit its adverse effects in our economy as a whole.

In view thereof, immediate approval of this Bill is sought.

MAXIMO B. RODRIGUEZ, JR.

RUFUS B. RODRIGUEZ

HOUSE OF REPRESENTATIVES

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House Bill No. **3100**

AN ACT

SUSPENDING THE EXPANDED VALUE ADDED TAX (EVAT) ON OIL PRODUCTS, BY SUSPENDING THE THREE PERCENT TARIFF ON ALL OIL IMPORTATIONS AND BY GRANTING SUBSIDY TO CONSUMERS FROM THE WINDFALL EVAT TAXES COLLECTED FROM OIL PRODUCTS

Section 1. Declaration of Policy. – It is the declared policy of the State to limit, if not totally eliminate the adverse effects of extraordinary increases in the price of oil products on the Filipino people.

Section 2. Suspension of Expanded Value Added Tax (EVAT). The imposition of Expanded Value Added Tax (EVAT) on oil products shall be suspended until the prices of crude oil and other related products have lowered to a manageable level as determined by the National Economic and Development Authority (NEDA).

Section 3. Suspension of three percent (3%) tariff on oil products. The three percent (3%) tariff on oil importations shall also be suspended until the prices of crude oil and other related products have lowered to a manageable level as determined by the National Economic and Development Authority (NEDA).

Section 4. Subsidy to consumers from the windfall EVAT taxes collected from oil products. The windfall EVAT taxes collected since 2005 when the price of oil products was only P30/liter shall be computed and the equivalent amount is hereby appropriated to subsidize the Filipino consumers from the effects of galloping prices of oil products.

Section 5. Implementing Rules and Regulations. The Department of Finance shall promulgate the rules and regulations for the effective enforcement of the provisions of this law.

Section 6. Repealing Clause. - All laws, orders, issuances, rules and regulations or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

Section 7. Effectivity. - This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,