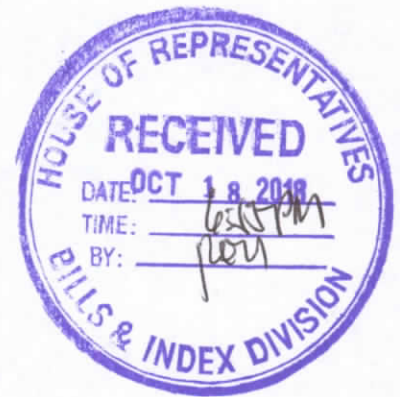


**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City**

**SEVENTEENTH CONGRESS
Third Regular Session**

HOUSE BILL NO. 8523



Introduced by Representative HORACIO P. SUANSING, JR.

AN ACT

**IMPOSING EXCISE TAX ON PLASTIC BAGS USED IN SUPERMARKETS,
MALLS, SHOPS, STORES, SALES OUTLETS AND OTHER SIMILAR
ESTABLISHMENTS**

EXPLANATORY NOTE

The use of plastic bags, harmful as it is to the environment, has been around for quite some time. It is a known fact that plastic bags contaminate soil and waterways. Based on available data, four (4) to five (5) trillion plastic bags are utilized worldwide each year, and billions of these end up as litter.

These are likewise toxic to both humans and animals, especially when accidentally ingested. Plastic marine debris has been documented to harm at least 267 species, among which are sea turtles and dolphins.

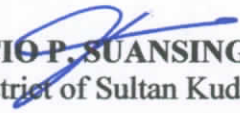
In the Philippines, particularly in Manila Bay, plastic bags and plastic bag composition account for 51.4% of flotsam (floating debris) in 2006. This unfortunately increased to 75.55% after a follow-up survey conducted in 2010. Laguna de Bay did not escape this pernicious effect, however, as a 2011 survey revealed that 23% of the flotsam were plastic bags. Over all, plastic bags are the most collected debris in the country, amounting to 679,957 pounds.¹ And this phenomenon magnifies the already worrisome flooding problem ordinary Filipinos experience in their respective localities, especially during the rainy season.

All this, together with the unfortunate verity that producing 100 million plastic bags requires around 430,000 gallons of oil, bags that take hundreds to thousands of years to disintegrate, makes a worthy cause for addressing the problem of plastic bag proliferation.

Accordingly, this bill aims to impose excise tax on plastic bags used in supermarkets, malls, shops, stores, sales outlets and similar establishments. By resorting to this levy, it is hoped that Filipinos find environment-friendly alternatives to plastic bags in going about the needs of their daily lives, let alone raising additional revenues for the government which could be used to finance programs and projects to counter the deleterious effects of plastic bags and their use.

¹ The Marine Debris Index. 2009. Ocean Conservancy.

In view of the foregoing, passage of the measure is earnestly sought.


HORACIO P. SUANSING, JR.
2nd District of Sultan Kudarat

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**AN ACT
IMPOSING EXCISE TAX ON PLASTIC BAGS USED IN SUPERMARKETS,
MALLS, SHOPS, STORES, SALES OUTLETS AND OTHER SIMILAR
ESTABLISHMENTS**

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

SECTION 1. *Short Title.* – This Act shall be known as the “Plastic Bag Tax Act.”

SECTION 2. *Declaration of Policy.* – It is hereby declared the policy of the State to protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature through, among others, the proper exercise of its power of taxation.

SECTION 3. *Imposition, Rate and Persons Liable.* – There shall be levied, assessed and collected an excise tax in the amount of Ten Pesos (Php 10.00), against customers at the point of sale of goods or products for every plastic bag provided by supermarkets, malls, shops, stores, sales outlets and other similar establishments for the carrying of said purchased goods or products. The excise tax shall be imposed at the abovementioned establishments whose gross receipts in the preceding year exceeded One Hundred Thousand Pesos (Php100,000.00) or, for newly registered businesses, a capitalization of at least One Hundred thousand Pesos (Php100,000.00).

SECTION 4. *Exemptions.* – Plastic bags used as “original packaging” of the following products are exempted from the coverage of Section 2:

- a. Fresh fish and fish products;
- b. Fresh meat and meat products;
- c. Fresh poultry and poultry products;
- d. Fruits;
- e. Vegetables;
- f. Nuts;
- g. Confectionery;
- h. Dairy products;
- i. Cooked food; and
- j. Ice

For purposes of this Section, "original packaging" shall mean an enclosed plastic bag in which loose produce is placed by the manufacturer and/or producer for transporting, warehousing, logistics, sale and/or end-use.

Except for the abovementioned plastic bags used as "original packaging", all other plastic bags provided by supermarkets, malls, shops, stores, sales outlets and other similar establishments shall be taxed.

SECTION 5. *Collecting Agent.* – The owners of supermarkets, malls, shops, stores, sales outlets and other similar establishments, or their authorized representatives shall act as the collecting agent of the government.

SECTION 6. *Itemization of tax.* – The imposition of the excise tax shall be itemized on the corresponding invoice, receipt or docket issued to the customer.

SECTION 7. *Return and Payment of tax.* – The owner and/or any accountable person of the establishment concerned shall, together with its income tax return, file a full and true return, in such form as may be specified by the Commissioner of the Bureau of Internal Revenue (BIR), of the amount of excise tax which became payable by him or her during the applicable accounting period. The amount shall be paid upon filing of the same return.

SECTION 8. *Inventory of Plastic Bags.* – A record containing the following, among others, shall be accomplished:

- a. Number of plastic bags, other than those exempted under Section 3, in stock before the commencement of business, thirty (30) days after the approval of this Act;
- b. Number of plastic bags exempted under Section 3 in stock before the commencement of business, thirty (30) days after the approval of this Act;
- c. Number of plastic bags, other than those exempted under Section 3, purchased by the establishment concerned during each accounting period; and
- d. Number of plastic bags, other than those exempted under Section 3, provided to customers in each accounting period

The record, together with all other supporting books and documents, shall be retained for a period of five (5) years and subject to examination by the Commissioner.

SECTION 9. *Non-Payment of Excise Tax.* – Non-payment of the excise taxes imposed under this Act shall be subject to the pertinent provisions of the National Internal Revenue Code of 1997, as amended, regarding collection of unpaid taxes and imposition of corresponding fines, surcharges and penalties, and imprisonment and/or closure of business.

SECTION 10. *Implementing Rules and Regulations.* – The Secretary of the Department of Finance (DOF), upon the recommendation of the Commissioner of the BIR, shall, within sixty (60) days from the effectivity of this Act, promulgate rules and regulations to faithfully implement the intent and provisions of this Act: Provided, that the failure of the Secretary of the DOF to do so shall not prevent the implementation of this Act upon its effectivity.

SECTION 11. *Separability Clause.* – If any provision of this Act is subsequently declared invalid or unconstitutional, other provisions hereof which are not affected thereby shall remain in full force and effect.

SECTION 12. *Repealing Clause.* – All other laws, acts, presidential decrees, executive orders, issuances, presidential proclamations, rules and regulations or parts thereof which are contrary to and inconsistent with any provision of this Act are hereby repealed, amended or modified accordingly.

SECTION 13. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication either in the Official Gazette, or in at least one (1) newspaper of general circulation.

Approved,