

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

House Bill No. 8545



Introduced by AKBAYAN Party List Representative Tomasito S. Villarin

EXPLANATORY NOTE

Republic Act No. 10963 otherwise known as the "Tax Reform Acceleration and Inclusion (TRAIN)" was approved into law last 19 December 2017 and took effect on 1 January 2018. Since then the efficacy of the said law has been the subject of intense public debate.

A provision of the TRAIN law which understandably attracts much attention relates to the excise taxes on petroleum products. Unleaded premium gasoline, liquified petroleum gas (LPG) and diesel were among the products included in TRAIN's excise tax regime. The initial increase on tax imposed on these products already took effect last 1 January 2018 and various proposals have been made regarding future increases.

TRAIN is perceived to have contributed or caused the skyrocketing of the inflation rate this year. The Philippine Statistical Authority (PSA) reported that inflation for September 2018 accelerated to 6.7% from the 6.4 % in August this year. This is a significant increase in prices of goods compared to the 3% inflation rate in September 2017. Consumers bear the brunt on the continuing increase in the prices of basic commodities and the poor even more so.

Recent pronouncements by the Executive Department show an openness to suspend the next TRAIN-mandated excise tax increase for three (3) months. This appears to be a temporary solution at best.

Thus, this bill seeks to remove unleaded premium gasoline, LPG and diesel from excise tax regime provided in the TRAIN law so that the January 2019 and January 2020 tax increase schedule will not cover these fuel products permanently.

Accordingly, the swift passage of this bill is earnestly sought.

A handwritten signature in black ink, appearing to be "Tomasito S. Villarin".

TOMASITO S. VILLARIN

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AN ACT
AMENDING SECTION 43 OF REPUBLIC ACT NO. 10963 OTHERWISE KNOWN
AS THE "TAX REFORM FOR ACCELERATION AND INCLUSION (TRAIN)"

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

SECTION 1. Section 43 of Republic Act No. 10963 otherwise known as the "Tax Reform for Acceleration and Inclusion (TRAIN)" is hereby modified such that paragraphs (f), (i) and (j) of Sec. 148 of the National Internal Revenue Code (NIRC) are hereby deleted.

SEC. 2. Repealing Clause. - All laws, decrees, rules and regulations, executive or administrative orders, and such other presidential issuances as are inconsistent with any of the provisions of this Act are hereby repealed, amended or otherwise modified accordingly.

SEC. 3. Effectivity. - This Act shall take effect on January 1, 2019 following its complete publication in the *Official Gazette* or at least in one (1) newspaper of general circulation.

Approved,