

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

House Bill No. 8558



Introduced by Representative **John Marvin "Yul Servo" C. Nieto**

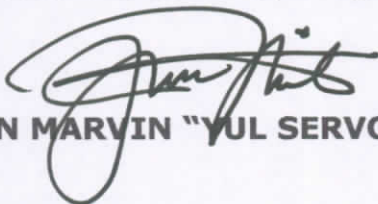
EXPLANATORY NOTE:

As a manifestation of support to this timely piece of legislation, this representation respectfully refiles this bill, which has constantly been receiving support from the past and present Congress.

It has been well established that the use of plastic bags is harmful to the environment. The worsening situation in terms of plastic use has been contributing immensely to the flooding issue here in the country, especially in Metro Manila. Moreover, the worsening situation in terms of plastic use has also been well documented to immensely harm animals, especially sea creatures.

The proposed measure aims to impose excise tax on plastic bags used in supermarkets, malls, shops, stores, sales outlets, and other similar establishments. It is the hope of the proposed measure that by introducing such levy, consumers will be encouraged to use environment-friendly alternatives to plastic bags. It is by no means that this will singlehandedly address the issue at hand, but it is surely among the different policy actions that can strengthen the promotion of environment-friendly practices.

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


JOHN MARVIN "YUL SERVO" C. NIETO

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House Bill No. _____

Introduced by Representative **John Marvin "Yul Servo" C. Nieto**

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

Be it enacted by the Senate and 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,