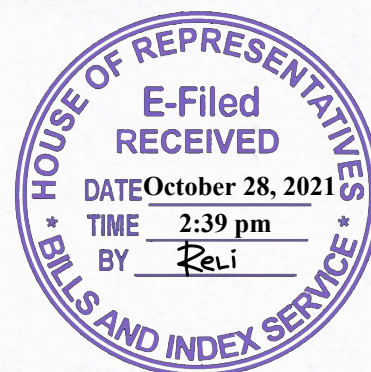


EIGHTEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. 10426

EXPLANATORY NOTE

Republic Act No. 10963 or the "Tax Reform for Acceleration and Inclusion (TRAIN)" Law was enacted last December 19, 2017.

Section 43 of the said law increased excise taxes for Manufactured Oils and Other Fuels. As a result, gasoline, diesel and LPG, among others, were imposed higher excises taxes resulting in higher prices. From 2018-2020, the total tax for gasoline was Php 9.00 per liter and Php 4.50 per liter for diesel. Excise tax on kerosene increased by Php 5.00 per liter, while excise tax on LPG increased by Php 3.00 per liter.

The law also provided that,

"For the period covering 2018 to 2020, the scheduled increase in the excise tax on fuel as imposed in this Section shall be suspended when the average Dubai crude oil price based on Mean of Platts Singapore (MOPS) for three (3) months prior to the scheduled increase of the month reaches or exceeds Eighty dollars (USD 80) per barrel."

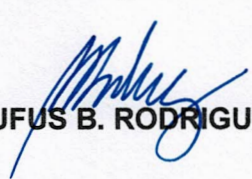
Unfortunately, the provision for the suspension of the increase of excise taxes on fuel can only be applied until 2020.

Then the COVID-19 pandemic happened where jobs were lost, businesses closed, and the economy suffered. At present, the country is only on the initial steps of reopening the economy and people are only starting to go back to work. Unfortunately, to add to the suffering of the Filipino people, there has been a continuous weekly oil price hike. For the past eight weeks, the price of unleaded gasoline increased by Php 7.20 per liter, and diesel prices increased by Php 8.65 per liter.

As it stands, prices of unleaded gasoline and regular diesel in Metro Manila are now at around Php 70.44 per liter and Php 50.17 per liter respectively. In the Visayas, unleaded gasoline costs around Php 73.96 per liter and diesel is at Php 64.95 per liter. In Mindanao, unleaded gasoline is around Php 74.85 per liter while diesel costs around Php 70.65 per liter.

One way to help the Filipino people is to temporarily suspend the collection of excise tax on fuel products based on the increased rates as provided by the TRAIN Law until the country has fully recovered from the COVID-19 pandemic. With these, the excise tax on fuel products will still be collected but it will be based on the previous rates before the TRAIN Law. Excise tax on regular gasoline will be Php 4.35 per liter, excise tax on unleaded gasoline be Php 5.35 per liter, while diesel, kerosene and LPG will not be imposed any excise tax, among others.

In view of the foregoing, the approval of this bill is earnestly sought.


RUFUS B. RODRIGUEZ

EIGHTEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)

HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. 10426

AN ACT

SUSPENDING THE COLLECTION OF EXCISE TAX ON FUEL PRODUCTS BASED ON THE RATES PROVIDED BY SECTION 43 OF REPUBLIC ACT 10963 FROM JANUARY 1, 2022 TO DECEMBER 31, 2025

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

SECTION 1. The collection of excise tax increases as provided for by Section 43 of Republic Act 10963 is hereby suspended from January 1, 2022 until December 31, 2025.

As such, the excise tax on fuel products from January 1, 2022 until December 31, 2025 will be collected based on the rates provided for in the National Internal Revenue Code before it was amended by Republic Act 10963.

SEC 2. **Repealing Clause.** – All laws, executive orders, presidential decrees or issuances, letter of instruction, administrative orders, rules, and regulations as well as local ordinances contrary to or inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC 3. **Effectivity Clause.** – This Act shall take effect fifteen (15) days after its complete publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,