

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

Nineteenth Congress  
First Regular Session



House Bill No. 1811

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Introduced by **Representative JOEY SARTE SALCEDA**

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**AN ACT**  
**IMPOSING EXCISE TAX ON PLASTIC BAGS, THEREBY ADDING A**  
**NEW SECTION, DESIGNATED AS SECTION 150-C, IN THE**  
**NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED,**  
**AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

The Philippines ranked third as the world's largest contributor to plastic pollution with 2.7 to 5.5 million metric tons of plastic waste generated each year, of which 20% is reported to leak into the ocean. In the absence of policy intervention, plastic waste in the Philippines is expected to almost double to 9 million metric tons by 2040 and reach over 11 million metric tons by 2060.

Plastic pollution posts a major threat to the environment and the lives of millions of Filipinos. Plastic wastes found in the ocean impose severe danger to both marine wildlife and the livelihood of people who rely on nature-dependent sectors such as tourism and the fishing industry. Waste thrown into waterways contributes to frequent flooding which compromises the safety and sanitation of residents in coastal and low-lying areas. Moreover, plastics also worsen the climate crisis through the release of greenhouse gases during production which place vulnerable populations further at risk.

In response to these growing concerns, this proposed measure, to be known as the "Plastic Bags Tax Act" was approved on Third Reading in the 18th Congress under the leadership of this representation. This proposed measure seeks to impose an excise tax of Twenty Pesos (P20.00) for every kilogram of plastic bag removed from the place of production or released from the custody of the Bureau of Customs. The bill also provides for a 4% increase in excise tax rates starting CY 2026 and every year thereafter. Furthermore, the bill proposes to allocate the proceeds from the excise tax on plastic bags for the implementation of the solid waste management plans of the National Government.

Through such imposition, it is hoped that consumers will be encouraged to use environment-friendly alternatives to plastic bags. Furthermore, the Department of Finance

estimated that the measure will yield P923 million additional revenues annually, which could be used to finance programs and projects to counter the harmful effects of plastic pollution in the country.

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



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*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 Bags Tax Act.*”

SEC. 2. *Declaration of Policy.* – It is hereby declared as 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 the proper exercise of its power of taxation.

SEC. 3. A new section designated as Section 150-C of the National Internal Revenue Code of 1997, as amended, is hereby added to read as follows:

“SEC. 150-C. PLASTIC BAGS. –

“(A) RATE AND BASE OF TAX. – EFFECTIVE JANUARY 1, 2023, THERE SHALL BE LEVIED, ASSESSED, AND COLLECTED AN EXCISE TAX IN THE AMOUNT OF TWENTY PESOS (PHP20.00) FOR EVERY KILOGRAM OF PLASTIC BAGS REMOVED FROM THE PLACE OF PRODUCTION OR RELEASED FROM THE CUSTODY OF THE BUREAU OF CUSTOMS.

“PROVIDED, THAT THE EXCISE TAX RATE PER KILOGRAM IMPOSED UNDER THIS SUBSECTION SHALL BE INCREASED BY FOUR PERCENT (4%) ON JANUARY 1, 2026 AND EVERY YEAR THEREAFTER.

"PLASTIC BAGS SHALL REFER TO SECONDARY LEVEL PLASTICS MADE OF SYNTHETIC OR SEMISYNTHETIC ORGANIC POLYMER, COMMONLY KNOWN AS "LABO" OR "SANDO" BAGS, WITH OR WITHOUT HANDLE, USED AS PACKAGING FOR GOODS OR PRODUCTS.

"(B) FILING OF RETURN AND PAYMENT OF EXCISE TAX AND PENALTY. –

(1) FILING OF RETURN AND PAYMENT OF EXCISE TAX ON DOMESTIC AND IMPORTED PLASTIC BAGS. – THE PROVISIONS OF SECTIONS 130 AND 131, AS APPROPRIATE, OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, SHALL APPLY TO PLASTIC BAGS.

(2) PENALTY. – UPON FINAL FINDINGS BY THE COMMISSIONER OF INTERNAL REVENUE AND/OR CUSTOMS THAT ANY MANUFACTURER OR IMPORTER, IN VIOLATION OF THIS SECTION, MISDECLARES OR MISREPRESENTS IN THE SWORN STATEMENT PROVIDED IN SECTION 130(C) OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, ANY PERTINENT DATA OR INFORMATION, THE PENALTY OF SUMMARY CANCELLATION OR WITHDRAWAL OF THE PERMIT TO ENGAGE IN BUSINESS AS MANUFACTURER OR IMPORTER OF PLASTIC BAGS AS PROVIDED UNDER SECTION 268 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, SHALL BE IMPOSED.

ANY CORPORATION, ASSOCIATION, OR PARTNERSHIP LIABLE FOR ANY OF THE ACTS OR OMISSIONS IN VIOLATION OF THIS SECTION SHALL BE FINED TREBLE THE AMOUNT OF DEFICIENCY TAXES, SURCHARGES, AND INTEREST WHICH MAY BE ASSESSED PURSUANT TO THIS SECTION.

ANY PERSONS LIABLE FOR ANY OF THE ACTS OR OMISSIONS PROHIBITED UNDER THIS SECTION SHALL BE CRIMINALLY LIABLE AND PENALIZED UNDER SECTION 254 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED. ANY PERSON WHO WILLFULLY AIDS OR ABETS IN THE COMMISSION OF ANY SUCH ACT OR OMISSION SHALL BE CRIMINALLY LIABLE IN THE SAME MANNER AS THE PRINCIPAL.

IF NOT A CITIZEN OF THE PHILIPPINES, THE OFFENDER SHALL BE DEPORTED IMMEDIATELY AFTER SERVING THE SENTENCE WITHOUT FURTHER PROCEEDINGS FOR DEPORTATION.

SEC. 4. Section 288 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:

"SEC. 288. *Disposition of Incremental AND OTHER Revenues.* –

“(A) xxx

“(B) xxx

“(C) xxx

“(D) xxx

“(E) xxx

“(F) xxx

“(G) xxx

“(H) DISPOSITION OF REVENUES FROM THE EXCISE TAX ON PLASTIC BAGS. –THE REVENUES COLLECTED FROM THE EXCISE TAX ON PLASTIC BAGS SHALL BE ALLOCATED AND USED EXCLUSIVELY FOR THE IMPLEMENTATION OF THE SOLID WASTE MANAGEMENT PLANS OF THE NATIONAL GOVERNMENT TO BE INCLUDED IN THE ANNUAL GENERAL APPROPRIATIONS ACT.

SEC. 5. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the Department of Finance shall, upon the recommendation of the Bureau of Internal Revenue and the Bureau of Customs and, in consultation with the Department of Environment and Natural Resources and the Department of Budget and Management, issue the rules and regulations for the effective implementation of this Act.

SEC. 6. *Repealing Clause.* – All laws, decrees, executive orders, rules, and regulations, and other issuances, or parts thereof, which are contrary to or inconsistent with this Act, are hereby repealed, amended, or otherwise modified accordingly.

SEC. 7. *Separability Clause.* – If any provision of this Act is declared invalid or unconstitutional, the remaining provisions hereof which are not affected shall remain in full force and effect.

SEC.8. *Effectivity.* – This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in at least one (1) newspaper of general circulation.

Approved,