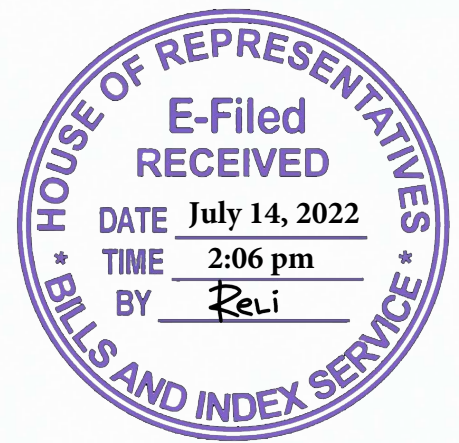


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Nineteenth Congress
First Regular Session

HOUSE BILL NO. 2009



Introduced by Rep. Bernadette Herrera-Dy

AN ACT REPLACING TRAVEL TAX WITH A STANDARDIZED TOURIST FEE FOR ALL, ESTABLISHING A TOURIST DEVELOPMENT FUND (TDF), AND REPEALING EXEMPTION PROVISIONS, AMENDING PRESIDENTIAL DECREE NO. 1957, S. 1984, WHICH AMENDS PROVISIONS OF PRESIDENTIAL DECREE NO. 1183, LAST AMENDED BY PRESIDENTIAL DECREE NO. 1867, AND PRESIDENTIAL DECREE NO. 1935 AS AMENDED BY SECTION 2 OF PRESIDENTIAL DECREE NO. 1951

EXPLANATORY NOTE

It has been more than forty years since a law was enacted to implement the imposition of travel tax. This became a policy of the government to discourage unnecessary foreign travel and to encourage domestic tourism. Under the current law, Filipino economy travelers must pay an amount of P1,620 (equivalent to US\$30), while business and first-class passengers must pay P2,700 (equivalent to US\$50). However, with the changing times, this policy burdens Filipino travelers as they need to pay a hefty amount before being allowed to leave the country for leisure. Also, only Filipinos are mandated to pay travel tax while foreign tourists who are exiting our international airports can freely travel without being burdened with additional fees.

The current travel tax policy also aimed to provide adequate funds for government programs. While the taxes are collected by the Tourism Infrastructure and Enterprise Zone Authority (TIEZA), the agency only receives 50 percent of the collection. The Commission on Higher Education (CHED) gets 40 percent and the National Commission for Culture and the Arts (NCCA) receives 10 percent. TIEZA, the tourism infrastructure arm of the Department of Tourism, is mandated to develop, manage, and supervise tourism infrastructure projects in the country. Thus, it is only necessary that the amount collected from travelers should be solely utilized for the enhancement of the country's tourism infrastructure and development through this agency.

This bill seeks to revise the outdated law on the imposition of travel taxes. It mandates a collection of a standardized tourist fee for all that shall be used to develop tourism-related programs and projects to enhance the country's competitiveness. It is the government's responsibility to prioritize its citizens through the review of policies that no longer benefit the public interest. To this end, the state shall pursue a policy that shall replace travel tax with a standardized tourist fee for all, establish a Tourist Development Fund (TDF), and repeal exemption provisions from the current law in place.

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


BERNADETTE HERRERA-DY

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Section 1. Section 3 of Presidential Decree No. 1957, s. 1984, as amended, is hereby further amended to read as follows: "Section 3. In lieu of a travel tax, a tourist fee shall be imposed to all citizens of the Philippines, including permanent resident aliens and/or foreign tourists exiting the Philippines from international airports, irrespective of the place of issuance of ticket and the form and place of payment. A fee of P500.00 shall be imposed on passengers traveling regardless of class passage."

Section 2. Tourist Development Fund (TDF). The imposed fee shall be collected for the purposes of a Tourist Development Fund (TDF). This shall be under the purview of the Tourism Infrastructure and Enterprise Zone Authority (TIEZA). The TDF shall be used towards the development tourism-centered infrastructures in the country. Its usage shall be determined by TIEZA.

Section 3. Repeal of Exemptions. Previous provisions and exemptions on the payment of travel tax shall not be applied to tourist fees under this Act. Such provisions shall be amended accordingly. However, the tourist fee shall be subject to discounts as provided by law.

Section 4. Implementing Rules and Regulations. Within ninety (90) days from the effectivity of this Act, the Tourism Infrastructure and Enterprise Zone Authority (TIEZA), in consultation with appropriate government agencies and other stakeholders, shall promulgate the necessary rules and regulations to implement this Act.

Section 5. Separability Clause. If, for any reason or reasons, any part of the provision of this Act shall be held to be unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

Section 6. Repealing Clause. All laws, decrees, orders, rules, and regulations, or parts thereof, inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

Section 7. Effectivity Clause. This Act shall take effect after fifteen (15) days following its publication in the Official Gazette and at least two (2) newspapers of general circulation.

Approved,