

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **2253**



Introduced by
REPRESENTATIVE FRANZ S. PUMAREN

EXPLANATORY NOTE

The Tourism Infrastructure and Enterprise Zone Authority (TIEZA) charges all citizens of the Philippines departing from all international airports and seaports to travel abroad a travel tax at the following rates in Philippine peso:

Particulars	First Class	Economy Class
Full Travel Tax	2,700.00	1,620.00
Standard Reduced Travel Tax	1,350.00	810.00
Privileged Reduced Travel Tax for Dependents of Overseas Filipino Workers (OFWs)	400.00	300.00

Republic Act No. 9395 or the "Tourism Act of 2009" provides that the total travel taxes collected shall be divided between TIEZA (50% for the development of sustainable tourism infrastructure projects, designation of Tourism Enterprise Zones, operation of TIEZA assets, and funding of administrative expenses for the collection of travel tax), Commission on Higher Education (CHED) (40% for tourism-related educational programs and courses), and National Commission for Culture and the Arts (NCCA) (10% for the preservation, conservation, and protection of the country's historical and cultural heritage).

Although the collection of travel taxes is ascertained for a lawful purpose, and given that the collection has significantly plummeted in 2020 (from the previous year's Php 7.217 Billion to an 82.87% drop at Php 1.236 Billion) because of the impact brought about by global lockdowns and travel restrictions due to the COVID-19 pandemic, the undersigned is of a strong view that burdening Filipinos by overtaxing travel is utterly unreasonable and unnecessary. Similarly,

building tourism infrastructure, as well as performing tourism-related projects and cultural conservation, are programs that can directly be funded through the General Appropriations Act.

Additionally, low-cost carriers such as Cebu Pacific and Air Asia Philippines have been lobbying for the removal of travel tax in the country. A study conducted by the latter proved that the removal of travel tax would roughly slash about P4 billion of revenue in five (5) years. However, it will gain an estimated Php 299 Billion in direct and induced revenues due to a prospective upsurge of tourist arrivals. The removal of travel tax will pave the way for more tourists to travel and visit famed destinations in the country, hence, boosting the country's economic recovery and providing more jobs for our fellow citizens directly affected by the pandemic.

Given the foregoing, the passage of this measure is earnestly sought.



FRANZ S. PUMAREN
3rd District, Quezon City

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AN ACT
ABOLISHING TRAVEL TAX

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

SECTION 1. *Rescinding Collection of Travel Tax.* – Provisions of laws relating to the authority to collect or receive funding from the collection of Travel Tax, including but not limited to, Republic Act No. 1478, as amended, Republic Act No. 7722, and Republic Act No. 9593, are hereby repealed.

SECTION 2. *Effect.* – The collection of travel taxes will be prohibited after the effectivity of this Act. For flights scheduled on or after the effectivity of this Act, the travel taxes paid shall be refunded immediately.

SECTION 3. *Appropriations.* – The amount necessary for the programs funded by the travel tax collections and for the implementation of this Act shall be charged to the respective appropriations under the current General Appropriations Act (GAA) of the Department of Tourism for the Tourism Infrastructure and Enterprise Zone Authority (TIEZA), the Commission on Higher Education (CHED) for the Higher Education Development Fund, and the National Commission for Culture

and the Arts (NCAA) for the National Endowment Fund for Culture and Arts. Thereafter, such sums as may be necessary shall be included in the annual GAA.

SECTION 4. *Implementing Rules and Regulations.* – Within ninety (90) days from the approval of this Act, the TIEZA shall formulate the implementing rules and regulations in connection with the immediate refund provided in Section 2 hereof.

SECTION 5. *Separability Clause.* – If any provision, or part hereof, is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SECTION 6. *Effectivity.* – This Act shall take effect fifteen (15) days from its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,