

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 8231



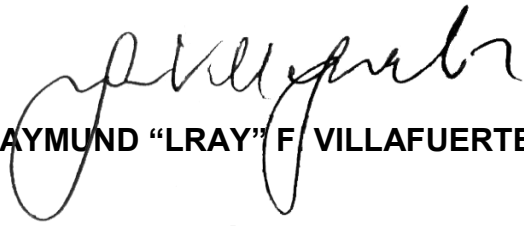
Introduced by **HON. LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR.**

EXPLANATORY NOTE

This proposed measure seeks to reduce the excise tax on petroleum products and coal by fifty percent (50%), suspend the imposition of applicable duties on their importation, and exempt the system loss charge in the sale of electricity from the value-added tax (VAT), for a period of three (3) years.

It seeks to mitigate the effects of the imposition of VAT and the increased excise taxes on petroleum products and coal that are too much of a burden on the consumers and businesses as we recover from the effects of COVID-19 and rising inflation.

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


LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR.

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HOUSE BILL NO. 8231

Introduced by **HON. LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR.**

AN ACT
LOWERING THE COST OF ELECTRICITY AND PETROLEUM PRODUCTS

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

SEC. 1. Section 109 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:

"SEC. 109. *Exempt Transactions.* –

"(1) Subject to the provisions of Subsection (2) hereof, the following transactions shall be exempt from the value-added tax:

"(A) xxx;

"xxx;

"(AA) xxx;

"(BB) xxx;

"(CC) SYSTEM LOSS CHARGE IN THE SALE OF ELECTRICITY FOR A PERIOD OF THREE (3) YEARS FROM THE DATE OF EFFECTIVITY OF THIS ACT; AND

"[~~CG~~] (DD) Sale or lease of goods or properties or the performance of services other than the transactions mentioned in the preceding paragraphs, the gross annual sales and/or receipts do not exceed the amount of Three million pesos (P3,000,000)."

SEC. 2. Section 148 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:

"SEC. 148. *Manufactured Oils and Other Fuels.* – There shall be collected on refined and manufactured mineral oils and motor fuels, the following excise taxes which shall attach to the goods hereunder enumerated as soon as they are in existence as such:

"xxx

~~"[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 of Singapore (MOPS) for three (3) months prior to the scheduled increase of the month reaches or exceeds Eighty dollars (USD 80) per barrel.]~~

~~"[Provided, That the Department of Finance shall perform an annual review of the implementation of the excise tax on fuel and shall, based on projections provided and recommendations of the Development budget coordination Committee, as reconciled from the conditions as provided above, recommend the implementation or suspension of the excise tax on fuel: Provided, further, That the recommendation shall be given on a yearly basis: Provided, finally, That any suspension of the increase in excise tax shall not result in any reduction of the excise tax being imposed at the time of the suspension.]~~

"PROVIDED, THAT BEGINNING FROM THE DATE OF EFFECTIVITY OF THIS ACT, THE EXCISE TAXES IMPOSED ON PETROLEUM PRODUCTS UNDER THIS SECTION SHALL BE REDUCED BY FIFTY PERCENT (50%) AND THE IMPOSITION OF APPLICABLE DUTIES THEREOF SHALL BE SUSPENDED, FOR A PERIOD OF THREE (3) YEARS."

SEC. 3. Section 151 of the National Internal Revenue Code of 1997, as 27 amended, is hereby further amended to read as follows:

"SEC. 151. *Mineral Products.* –

"(A) *Rates of Tax.* – There shall be levied, assessed and collected on minerals, mineral products and quarry resources, excise tax as follows:

"(1) On domestic or imported coal and coke, notwithstanding any incentives granted in any law or special law:

"Effective January 1, 2018, Fifty pesos (P50.00) per metric ton;

"Effective January 1, 2019, One hundred pesos (P100.00) per metric ton; and

"Effective January 1, 2020, One hundred fifty pesos (P150.00) per metric ton.

"PROVIDED, THAT BEGINNING FROM THE DATE OF EFFECTIVITY OF THIS ACT, THE EXCISE TAX IMPOSED ON COAL AND COKE UNDER THIS SECTION SHALL BE REDUCED BY FIFTY PERCENT (50%), AND THE IMPOSITION OF APPLICABLE DUTIES THEREOF SHALL BE SUSPENDED, FOR A PERIOD OF THREE (3) YEARS."

"xxx"

SEC. 4. *Implementing Rules and Regulations (IRR).* – Within thirty (30) days from the effectivity of this Act, the Secretary of Energy and the Secretary of Finance, upon the recommendation of the Commissioner of Internal Revenue, shall promulgate the necessary rules and regulations for its effective implementation.

SEC. 5. *Separability Clause.* – If any provision or part hereof is declared unconstitutional, the remainder of this Act or any provision not affected shall remain in full force and effect.

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

SEC. 7. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,