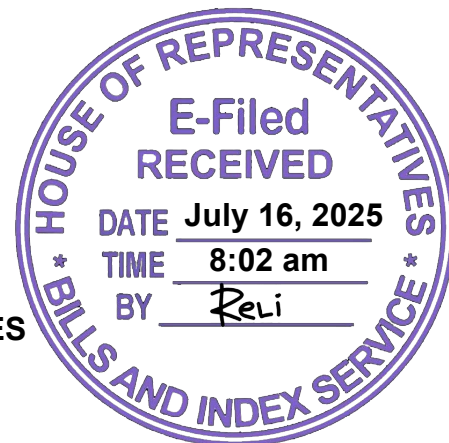


TWENTIETH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )

HOUSE OF REPRESENTATIVES  
HOUSE BILL No. 1961



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Introduced by REPRESENTATIVE CLAUDINE DIANA D. BAUTISTA-LIM

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**AN ACT**  
**REPEALING THE EXCISE TAX ON FUEL PROVISION OF REPUBLIC ACT NO. 10963, OTHERWISE KNOWN AS THE “TAX REFORM FOR ACCELERATION AND INCLUSION (TRAIN)” LAW**

**EXPLANATORY NOTE**

The Tax Reform for Acceleration and Inclusion (TRAIN) Law which was ratified in 2017 revolutionized the country’s tax system, transforming it into a simple, just and efficient structure.<sup>1</sup> The introduction of a streamlined tax system has made compliance easier for taxpayers. And most importantly, it lowered the personal income taxes for majority of Filipino taxpayers, resulting in an increase of their net take-home pay, thus improving their spending capability.

Meanwhile, the new tax regime introduced excise taxes on sugar-sweetened beverages, petroleum and tobacco products, automobiles and non-essential cosmetic procedures. The increased revenue generated under these new tax provisions was aimed to support a significant portion of the government’s infrastructure projects and social protection programs such as healthcare, education and targeted cash transfers to poorest households.<sup>2</sup>

While the TRAIN Law has been lauded for some of its benefits, it cannot be discounted that the excise tax levied on petroleum products led to an overall rise in commodity prices. It has been observed that the inflationary effect of higher petroleum prices has offset whatever benefits that lower income households have gained from the measure.

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<sup>1</sup> Winners and losers: How the TRAIN law affects rich, poor Filipinos. (2017, December 22). *Philstar.com*. <https://www.philstar.com/business/2017/12/22/1770885/winners-and-losers-how-train-law-affects-rich-poor-filipinos>

<sup>2</sup> Dofweb. (2017, December 27). *THE TAX REFORM FOR ACCELERATION AND INCLUSION (TRAIN) ACT*. Department of Finance. <https://www.dof.gov.ph/ra-10963-train-law-and-veto-message-of-the-president/>

Transportation workers have particularly been more vulnerable as a result of this law. The rise in fuel prices have directly impacted the daily income of public utility transport workers whose source of income rely heavily on fuel. Even with government subsidies, these have not been enough to mitigate the impact of the fuel price hike on their livelihood. This is further exacerbated by the recent tensions escalating in Israel and Iran that can cause spikes in global oil prices.

The same sentiment has been echoed by the leaders of various transport groups in the consultative meetings that this representation has held with them. They have lamented that the increased fuel cost has made it difficult for them to cover their daily operational expenses, driving most of them to economic uncertainty.

Removing the excise tax on fuel will provide immediate relief to consumers, and most especially to the transportation workers. It will ease inflationary burden by making basic commodities more affordable. Lower fuel prices will directly translate to reduced transportation expenses, resulting in diminished costs for goods and services, which will be greatly beneficial to our countrymen.

Immediate approval of this measure is earnestly sought.

  
**REP. CLAUDINE DIANA D. BAUTISTA-LIM**  
DUMPER-PTDA Partylist

TWENTIETH CONGRESS OF THE )  
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**HOUSE OF REPRESENTATIVES**  
**HOUSE BILL No. 1961**

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**AN ACT**  
**REPEALING THE EXCISE TAX ON FUEL PROVISION OF REPUBLIC ACT NO. 10963, OTHERWISE KNOWN AS THE “TAX REFORM FOR ACCELERATION AND INCLUSION (TRAIN)” LAW**

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

Section 1. *Short Title.* – The Act shall be known as the “Fuel Excise Tax Repeal Act”.

Sec. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to alleviate the economic burden on consumers by removing the excise tax on fuel, thereby reducing the cost of petroleum products and promoting equitable access to energy resources.

Sec. 3. *Amendment of Section 43 of Republic Act No. 10963.* – Section 43 of Republic Act No. 10963, otherwise known as the “Tax Reform for Acceleration and Inclusion (TRAIN)” Law, is hereby amended to read as follows:

*“SEC. 43. Petroleum Products. – The excise tax on petroleum products under this Act is hereby repealed. Accordingly, no excise tax shall be imposed on the following products:*

- (a) Lubricating oils and greases; processed gas; waxes and petrolatum; denatured alcohol to be used for motive power;*
- (b) Naptha, regular gasoline, and other similar products of distillation;*
- (c) Leaded premium gasoline;*
- (d) Aviation turbo jet fuel;*
- (e) Kerosine;*
- (f) Diesel fuel oil;*

- (g) Liquefied petroleum gas;*
- (h) Asphalts;*
- (i) Bunker fuel oil and on similar products; and*
- (j) Any other products classified as petroleum products.”*

Sec. 4. *Repealing Clause.* – All other laws, rules and regulations, orders, circulars, and other issuances or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed, modified or amended accordingly.

Sec. 5. *Separability Clause.* – If for any reason any section or provision of this Act is declared invalid or unconstitutional, other provisions hereof which are not affected thereby shall continue to be in full force and effect.

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

*Approved,*