



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

TWENTIETH CONGRESS
First Regular Session

House Bill No. **1936**



Introduced by Representative Midy N. Cua
Lone District, Quirino

**AN ACT IMPOSING EXCISE TAX ON SINGLE-USE PLASTIC BAGS, AMENDING FOR
THE PURPOSE SECTION 288 AND ADDING A NEW SECTION 150-C IN THE
NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED**

EXPLANATORY NOTE

Yearly, around 500 billion plastic bags are used worldwide. However, only 9% are recycled and 12% incarcerated. Plastic pollution affects the natural processes and alters habitats of humans and animals, as well as the food production and social well-being of billions of people. One of the major effects of plastic pollution in our country is how waste runoff quickly clog drainage systems and waterways, endangering communities' hygiene especially during heavy periods of rain.

Given the ecological and health hazards brought about by the rampant use of plastics, the government needs to strengthen existing mechanisms to disincentivize the use of plastics through taxation. According to one study, a tax on plastics can lead to the reduction of the production and consumption of plastic products. The same study found that environmental taxation is a key ingredient to catalyze the transition to a circular economy.

Thus, this bill seeks to move towards this direction by imposing a P100 excise tax for every kilogram of plastic bag removed from the place of production or released from the custody of the Bureau of Customs, subject to periodic increase every four years effective on January 1, 2026. Furthermore, the passage of this bill in the House of Representatives in the 19th Congress attests to the significance and importance of the bill.

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


MIDY N. CUA
Representative
Lone District, Quirino



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

Section 1. *Short Title.* – This Act shall be known as the “Single-Use Plastic Bags Tax Act.”

Section 2. *Declaration of Policy.* – It is hereby declared 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.

Section 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. SINGLE-USE PLASTIC BAGS. –

(A) RATE AND BASE OF TAX. – THERE SHALL BE LEVIED, ASSESSED, AND COLLECTED AN EXCISE TAX IN THE AMOUNT OF ONE HUNDRED PESOS (PHP100.00) FOR EVERY KILOGRAM OF SINGLE-USE PLASTIC BAG REMOVED FROM THE PLACE OF PRODUCTION OR RELEASED FROM THE CUSTODY OF THE BUREAU OF CUSTOMS.

THE RATE OF TAX IMPOSED UNDER THIS SUBSECTION SHALL BE INCREASED BY FOUR PERCENT (4%) EVERY YEAR, EFFECTIVE ON JANUARY 1, 2026 THROUGH REVENUE REGULATIONS ISSUED BY THE SECRETARY OF FINANCE.

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

(B) FILING OF RETURN AND PAYMENT OF EXCISE TAX ON SINGLE-USE PLASTIC BAGS. - THE PROVISIONS OF SECTIONS 130 AND 131 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, ON THE FILING OF RETURN AND PAYMENT OF EXCISE TAX SHALL APPLY.

1 (C) **NON-PAYMENT OF EXCISE TAX. - NON-PAYMENT OF THE EXCISE TAX**
2 **IMPOSED UNDER THIS ACT SHALL BE SUBJECT TO THE PERTINENT**
3 **PROVISIONS UNDER TITLES VIII AND X OF THE NATIONAL INTERNAL**
4 **REVENUE CODE OF 1997, AS AMENDED, REGARDING COLLECTION OF**
5 **UNPAID TAXES AND IMPOSITION OF CORRESPONDING FINES,**
6 **SURCHARGES, PENALTIES, AND IMPRISONMENT OR CLOSURE OF**
7 **BUSINESS."**
8

9 Section 4. Section 288 of the National Internal Revenue Code of 1997, as amended, is hereby further
10 amended to read as follows:
11

12 "SEC. 288. *Disposition of Incremental AND OTHER Revenues.* -

13 (A) xxx

14 (B) xxx

15 (C) xxx

16 (D) xxx

17 (E) xxx

18 (F) xxx

19 (G) xxx

20 (H) **DISPOSITION OF INCREMENTAL REVENUES FROM THE EXCISE TAX ON**
21 **SINGLE-USE PLASTIC BAGS. -**
22

23 **THE INCREMENTAL REVENUES FROM THE IMPOSITION OF THE EXCISE**
24 **TAX ON SINGLE-USE PLASTIC BAGS SHALL BE ALLOCATED TO PROGRAMS**
25 **OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES FOR**
26 **THE IMPLEMENTATION OF REPUBLIC ACT NO. 9003, OTHERWISE KNOWN AS**
27 **THE 'ECOLOGICAL SOLID WASTE MANAGEMENT ACT OF 2000' IN**
28 **MUNICIPALITIES."**
29

30 Section 5. *Implementing Rules and Regulations.* - Within sixty (60) days from the effectivity of this
31 Act, the Secretary of Finance shall, upon the recommendation of the Commissioners of the Bureau of
32 Internal Revenue and the Bureau of Customs and, in consultation with the Department of Environment
33 and Natural Resources, issue and promulgate rules and regulations for the effective implementation of
34 this Act.
35

36 Section 6. *Separability Clause.* - If any provision of this Act is declared unconstitutional or invalid,
37 other parts or provisions hereof not affected thereby shall continue to be in full force and effect.
38

39 Section 7. *Repealing Clause.* - All laws, decrees, orders, rules and regulations or parts thereof,
40 inconsistent with this Act, are hereby repealed, amended, or modified accordingly.
41

42 Section 8. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the *Official*
43 *Gazette* or in a newspaper of general circulation.
44

45 Approved,