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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 4755



Introduced by REP. JESUS ANGEL MANUEL "BONG" C. SUNTAY

EXPLANATORY NOTE

Article II, Section 9 of the 1987 Constitution of the Republic of the Philippines provides that "the State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all."

Furthermore, Article XII, Section 1 mandates the State to regulate the economy in a manner that fosters equitable distribution of opportunities, income, and wealth, while sustaining economic growth.

In recent years, the Philippine economy has been significantly affected by volatility in global oil prices, which directly impact transportation costs, food prices, and the overall cost of living. The rise in petroleum product prices, often driven by geopolitical tensions, supply chain disruptions, or fluctuations in crude oil markets, has contributed to higher inflation rates that disproportionately affect the poor and vulnerable sectors of society.

The imposition of excise taxes on petroleum products, as mandated by the Tax Reform for Acceleration and Inclusion (TRAIN) Law, was originally intended to raise revenues for infrastructure and social programs. However, when world crude oil prices surge to elevated levels, these taxes exacerbate the financial burden on consumers and businesses. In particular, high fuel costs translate into higher transport fares, increased production costs, and overall inflationary pressure, thereby undermining the intended benefits of inclusive growth.

This bill seeks to provide an automatic suspension mechanism for excise taxes on regular gasoline, unleaded premium gasoline, and diesel when global oil prices reach a critical threshold. By introducing this safeguard, the measure ensures that while revenue generation remains a government priority, it does not come at the expense of public welfare during periods of extraordinary fuel price spikes.

The automatic suspension of excise taxes on fuel when global prices breach the USD 80 per barrel threshold is designed as a pro-poor, anti-inflationary measure. Its primary objectives are immediate relief for consumers which are mostly motorists, public utility vehicle operators, and commuters; mitigation of inflationary pressures such as prices of essential goods, particularly food; support for economic recovery,

1 especially in times of recession; and predictability in policy removing the uncertainty
2 and reducing the need for emergency legislation or executive discretion whenever
3 global oil prices surge.

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5 In striking a balance, the bill acknowledges the government's need for revenue but
6 prioritizes protecting Filipino households and industries from severe economic
7 shocks. It institutionalizes a responsive mechanism that ensures the burden of
8 volatile global oil markets does not fall disproportionately on the Filipino people.

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11 In view of the foregoing, the immediate passage of this bill is earnestly sought.
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REP. JESUS "BONG" C. SUNTAY

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11 Introduced by REP. JESUS MANUEL BONG SUNTAY
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13 **AN ACT PROVIDING FOR THE AUTOMATIC SUSPENSION OF EXCISE**
14 **TAXES ON REGULAR GASOLINE, UNLEADED PREMIUM GASOLINE,**
15 **AND DIESEL, AMENDING FOR THE PURPOSE SECTION 148 OF THE**
16 **NATIONAL INTERNAL REVENUE CODE, AS AMENDED**
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19 Be it enacted by the Senate and House of Representatives of the Philippines in
20 Congress assembled:
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22 **SECTION 1.** – Section 148 of the National Internal Revenue Code (NIRC), as
23 amended, is hereby further amended to read as follows:

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

28 x x x

29 **“NOTWITHSTANDING THE PROVISION ABOVE, THE**
30 **EXCISE TAX ON REGULAR GASOLINE, UNLEADED**
31 **PREMIUM GASOLINE, AND DIESEL FUEL OIL AS IMPOSED**
32 **IN THIS SECTION SHALL BE AUTOMATICALLY**
33 **SUSPENDED WHEN THE AVERAGE DUBAI CRUDE OIL**
34 **PRICE BASED ON MEAN OF PLATTS SINGAPORE REACHES**
35 **OR EXCEEDS EIGHTY DOLLARS (USD 80) PER BARREL.”**
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37 **SECTION 2. *Implementing Rules and Regulations (IRR).*** – Such rules and
38 regulations as may be necessary to implement this Act shall be issued within thirty
39 (30) days of its effectivity.
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41 **SECTION 3. *Repealing Clause.*** – All laws, decrees, orders, rules, and regulations,
42 or other issuances or parts thereof inconsistent with the provisions of this Act are
43 hereby repealed, amended or modified accordingly.
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45 **SECTION 4. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
46 publication in the *Official Gazette* or in a newspaper of general circulation.
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48 Approved,