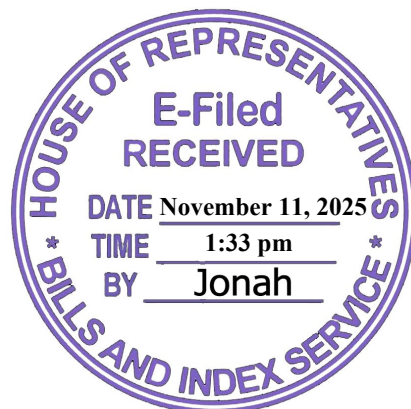




Republic of the Philippines
House of Representatives

20th CONGRESS

First Regular Session



HOUSE BILL NO. 5826

Introduced by Hon. Charisse Anne C. Hernandez

Lone District of Calamba, Laguna

EXPLANATORY NOTE

This bill seeks to introduce an excise tax on single-use plastics (SUPs) such as bags, packaging, and wrappers to curb their production and consumption, thereby mitigating environmental damage while generating revenue for waste management, recycling initiatives, and sustainability programs. By imposing this tax, the legislation aims to incentivize manufacturers and consumers to shift toward reusable alternatives, align with global efforts to combat plastic pollution, and ensure that funds collected are allocated toward environmental protection, research, and community-based cleanup efforts, ultimately fostering a circular economy in the Philippines.

The Philippines faces a severe plastic pollution crisis, with the country generating approximately 2.7 million tons of plastic waste annually, of which 20% ends up in the oceans, as reported by the World Bank. Recent assessments project that the nation will produce 7,415,202 tons of mismanaged waste by 2025, ranking it as the third-largest contributor to global plastic pollution and the top for riverine plastic emissions into the oceans. In 2023 alone, the Philippines was responsible for an estimated 356,371 metric tons of ocean plastic waste, accounting for roughly 35% of the global total, while annual plastic waste generation stands at about 2.3 million tons, with microplastics detected in 100% of mussels and various fish species. Post-consumer plastic waste reaches 1.7 million metric tons yearly, with 33% improperly deposited in waterways and landfills, exacerbating marine ecosystem degradation, biodiversity loss, and health risks from microplastics entering the food chain. Projections indicate an increase to 2,415,950 metric tons of plastic waste by 2025, underscoring the urgent environmental and economic toll, including clogged drainage systems leading to flooding and tourism declines in coastal areas.

Current measures have not stemmed the tide of pollution, as evidenced by the Philippines' outsized contribution to oceanic plastics—36.38% globally in recent years—necessitating fiscal interventions to internalize environmental costs and encourage behavioral change. The Department of Finance (DOF) has advocated for such a tax, proposing rates like PHP 150 per kilogram on SUPs, which could generate up to PHP 58 billion in government revenue to support anti-pollution programs, while simpler weight-based taxes (e.g., PHP 100 per kilogram) ensure fair administration and promote sustainable practices. Without this additional levy, pollution will continue to escalate, imposing billions in cleanup costs and health burdens on society.

This bill represents a proactive step toward environmental stewardship, economic resilience, and public health improvement by making polluters pay and redirecting funds to innovative waste solutions. Its enactment is crucial to prevent the Philippines from remaining a top global polluter and to build a greener future for generations to come. Respectfully submitted for consideration.

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

A handwritten signature in black ink, appearing to read 'Charisse', with a stylized flourish at the end.

CHARISSE ANNE C. HERNANDEZ



Republic of the Philippines
House of Representatives

20th CONGRESS

First Regular Session

HOUSE BILL NO. 5826

Introduced by Hon. Charisse Anne C. Hernandez

Lone District of Calamba, Laguna

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

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 “PlasTax 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 AND FIFTY PESOS (PHP150.00) 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 AND OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, ON THE FILING OF RETURN AND PAYMENT OF EXCISE TAX SHALL APPLY.

(C) NON-PAYMENT OF EXCISE TAX. – NON-PAYMENT OF THE EXCISE TAX IMPOSED UNDER THIS ACT SHALL BE SUBJECT TO THE PERTINENT PROVISIONS UNDER TITLES VIII AND X OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, REGARDING COLLECTION OF UNPAID TAXES AND IMPOSITION OF CORRESPONDING FINES, SURCHARGES, PENALTIES, AND IMPRISONMENT OR CLOSURE OF BUSINESS.”

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

*“SEC. 288. Disposition of Incremental **AND OTHER** Revenues. –*

(A) xxx

(B) xxx

(C) xxx

(D) xxx

(E) xxx

(F) xxx

(G) xxx

(H) DISPOSITION OF INCREMENTAL REVENUES FROM THE EXCISE TAX ON SINGLE-USE PLASTIC BAGS. –

THE INCREMENTAL REVENUES FROM THE IMPOSITION OF THE EXCISE TAX ON SINGLE-USE PLASTIC BAGS SHALL BE ALLOCATED TO PROGRAMS OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL

**RESOURCES FOR THE IMPLEMENTATION OF REPUBLIC
ACT NO. 9003, OTHERWISE KNOWN AS THE ‘ECOLOGICAL
SOLID WASTE MANAGEMENT ACT OF 2000’ IN
MUNICIPALITIES.”**

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

SECTION 6. *Separability Clause.* – If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

SECTION 7. *Repealing Clause.* – All laws, decrees, executive orders, rules, and regulations or parts thereof which are contrary to or inconsistent with any provision of this Act are hereby repealed, modified, or amended accordingly.

SECTION 8. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication either in the *Official Gazette* or in at least one (1) newspaper of general circulation.

Approved,