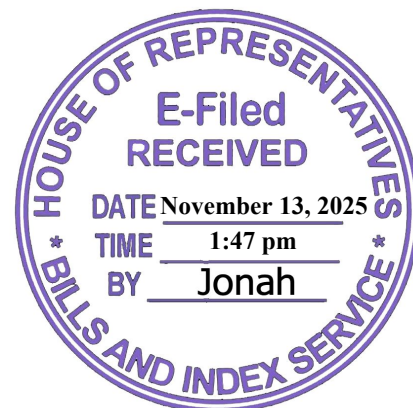


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 5961



Introduced by **Representative Ryan S. Recto**

EXPLANATORY NOTE

This proposed measure seeks to amend Section 148 of the National Internal Revenue Code (NIRC) of 1997, as amended, to authorize the President of the Philippines to proactively manage the impact of global oil price volatility. The authority to suspend or reduce the excise tax may only be exercised when the Dubai crude oil price, based on Mean of Platts Singapore (MOPS), reaches or exceeds Eighty Dollars (USD 80) per barrel. This specific price benchmark is rooted in the previous economic thresholds established by law to signal severe global price distress.

The current statutory excise tax regime imposes a fixed per-liter tax on petroleum products. While this provides a stable revenue stream, it lacks flexibility to mitigate the sudden and severe inflationary impact of global price volatility on local consumers. The original safeguard mechanism under the Tax Reform for Acceleration and Inclusion (TRAIN) Act (R.A. No. 10963) against high prices has largely expired, leaving the government without a direct, immediate tool to cushion economic shocks.

In order to provide immediate relief to Filipino consumers and the transportation sector, this piece of legislation institutionalizes a clear and mandatory cushion for government intervention as fuel costs translate directly into higher commodity and fare prices.

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


RYAN S. RECTO
Representative
6th District, Batangas

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 5961

Introduced by **Representative Ryan S. Recto**

AN ACT
GRANTING THE PRESIDENT OF THE PHILIPPINES POWER TO SUSPEND OR REDUCE THE EXCISE TAX ON PETROLEUM PRODUCTS DURING NATIONAL OR GLOBAL ECONOMIC EMERGENCIES, AMENDING FOR THE PURPOSE SECTION 148 OF 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:

1 Section. 1. Section 148 of the National Internal Revenue Code (NIRC) of 1997,
2 as amended, is hereby further amended by inserting a new paragraph to read as
3 follows:

4
5 "SEC. 148. Manufactured Oils and Other Fuels. - There shall be collected
6 on refined and manufactured mineral oils and motor fuels, the following
7 excise taxes which shall attach to the goods hereunder enumerated as
8 soon as they are in existence as such:

9 xxx

10 ~~[For the period covering 2018 to 2020, the scheduled increase in the~~
11 ~~excise tax on fuel as imposed in this Section shall be suspended when the~~
12 ~~average Dubai crude oil price based on Mean of Platts Singapore (MOPS)~~
13 ~~for three (3) months prior to the scheduled increase of the month reaches~~
14 ~~or exceeds Eighty dollars (USD 80) per barrel.]~~

15 ~~[Provided, That the Department of Finance shall perform an annual review~~
16 ~~of the implementation of the excise tax on fuel and shall, based on~~
17 ~~projections provided and recommendations of the Development budget~~
18 ~~coordination Committee, as reconciled from the conditions as provided~~
19 ~~above, recommend the implementation or suspension of the excise tax on~~

1 ~~fuel: *Provided, further,* That the recommendation shall be given on a~~
2 ~~yearly basis: *Provided, finally,* That any suspension of the increase in~~
3 ~~excise tax shall not result in any reduction of the excise tax being imposed~~
4 ~~at the time of the suspension.]~~

5 **THE PRESIDENT OF THE PHILIPPINES MAY, UPON THE**
6 **RECOMMENDATION OF THE SECRETARY OF FINANCE, SUSPEND**
7 **THE IMPOSITION OR REDUCE THE EXCISE TAX ON FUEL BY NOT**
8 **MORE THAN FIFTY PERCENT (50%), WHEN PUBLIC INTEREST SO**
9 **REQUIRES AND AFTER CONSIDERING FACTORS SUCH AS ITS**
10 **EFFECT ON INFLATION AND IMPACT ON THE REVENUES OF THE**
11 **NATIONAL GOVERNMENT: *PROVIDED,* THAT SUCH SUSPENSION**
12 **MAY BE LIFTED OR THE EXCISE TAX BE REVERTED TO THE RATES**
13 **AS PROVIDED UNDER THIS SECTION, WHEN THE CONDITIONS**
14 **THAT WARRANT THE SUSPENSION OR REDUCTION OF EXCISE**
15 **TAX NO LONGER EXIST: *PROVIDED, FURTHER,* THAT THE**
16 **AUTHORITY TO SUSPEND THE IMPOSITION OR REDUCE THE**
17 **EXCISE TAX MAY ONLY BE EXERCISED WHEN THE DUBAI CRUDE**
18 **OIL PRICE BASED ON MEAN OF PLATTS SINGAPORE (MOPS)**
19 **REACHES OR EXCEEDS EIGHTY DOLLARS (USD 80) PER BARREL.**

20
21 *Sec. 2. Implementing Rules and Regulations (IRR).* – Within thirty (30) days
22 from the effectivity of this Act, the Secretary of Finance, upon the recommendation of
23 the Commissioner of Internal Revenue, shall promulgate the necessary rules and
24 regulations for its effective implementation.

25
26 *Sec. 3. Repealing Clause.* – All laws, acts, decrees, executive orders, issuances,
27 and rules and regulations or parts thereof which are contrary to and inconsistent with
28 this Act are hereby repealed, amended or modified accordingly.

29
30 *Sec. 4. Effectivity.* – This Act shall take effect fifteen (15) days after its
31 complete publication in the *Official Gazette* or in at least two (2) newspapers of general
32 circulation.

33 *Approved,*