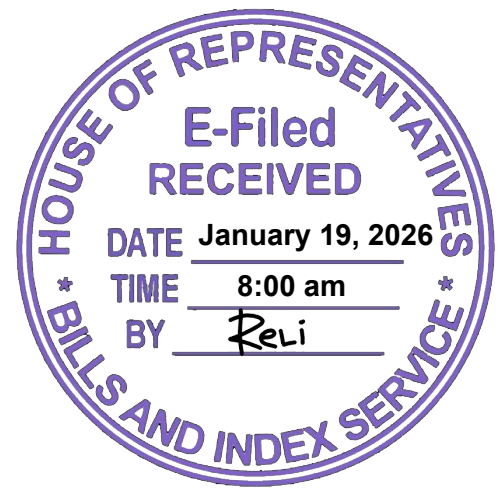




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session



House Bill No. 7155

Introduced by CIBAC Party-List Representative
EDUARDO "BRO. EDDIE" C. VILLANUEVA

EXPLANATORY NOTE

This bill calls for the removal of the travel tax imposed on Filipinos leaving the Philippines and on nationals of ASEAN Member States traveling to other ASEAN Member States.

The travel tax is a levy imposed by the Philippine government on departing passengers from the Philippines, regardless of where the air ticket was issued and how payment was made. It is established under Presidential Decree No. 1183 s. 1977 and amended by P.D. 1205, Batas Pambansa Blg. 38, and Executive Order No. 283. The redistribution of travel tax collections is governed by Section 73 of the Republic Act No. 9593 (Tourism Act of 2009).

Introduced initially as a means to generate funds for tourism development, it has become a mainstay in the Philippine Tourism Policy, with only slight changes in rates collected. The collection of travel tax is not unique to the Philippines. Indonesia, Thailand, Japan, South Korea, Australia, and the USA impose a travel tax on departing passengers. However, these fees go directly to security, airport maintenance, facility improvements, and tourism marketing. The Philippines also collects airport or terminal fees in addition to the travel tax. Thus, with these additional taxes, the cost of the air ticket increases significantly, making travel inaccessible to many Filipinos.

The Philippines supposedly redistributes travel tax collections as follows: tourism infrastructure (50%), tourism education (40%), and culture through the National Commission on Culture and the Arts (10%). However, there was no monitoring of outcomes nor their direct impact on such endeavors, especially on tourism education after its mandatory redistribution in accordance with the Tourism Act of 2009. Meantime, the high cost of travel is burdensome for many Filipinos who wish to travel for tourism, education, or to visit families overseas. Moreover, the varying tax rates for different types of travelers are confusing, and the process of obtaining travel tax exemptions and refunds is overly cumbersome. Filipino travelers find the travel tax collection not just burdensome but also inconvenient.

The travel tax clearly infringes on the constitutionally guaranteed right of Filipinos to travel. Article III, Section 6 of the 1987 Constitution states that the right to travel shall not be impaired except in the interest of national security, public safety, or public health, as may be provided by law. Further, the travel tax is inconsistent with the ASEAN Tourism Agreement in 2002, which calls for the phasing out of taxes and levies on ASEAN member states. By maintaining the travel tax, the Philippines is not fully compliant with the Tourism Agreement, which advocates for free cross-border movement of ASEAN nationals.

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


EDUARDO "BRO. EDDIE" C. VILLANUEVA



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HOUSE BILL NO. 7155

Introduced by CIBAC Party-List Representative
EDUARDO “BRO. EDDIE” C. VILLANUEVA

AN ACT
ABOLISHING THE TRAVEL TAX ON FILIPINOS AND ON NATIONALS OF
ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN) MEMBER STATES
TRAVELLING TO OTHER ASEAN STATES

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

1 **SECTION 1. Abolishing the Travel Tax** – Travel Tax shall no longer be imposed
2 on the following individuals:

- 3
4 a) Filipinos leaving the Philippines; and
5 b) Nationals of Association of Southeast Asian Nations (ASEAN) Member
6 States leaving the Philippines and travelling to other ASEAN Member
7 States.
8

9 **SEC. 2. Separability Clause.** – If any portion or provision of this Act is declared
10 unconstitutional, the remainder hereof or any provisions not affected thereby shall
11 remain in force and effect.
12

13 **SEC. 3. Repealing Clause.** – Any law, presidential decree or issuance,
14 executive order, letter of instruction, rule, or regulation inconsistent with the provisions
15 of this Act is hereby repealed or modified accordingly.

16 **SEC. 4. Effectivity.** – This Act shall take effect fifteen (15) days after its complete
17 publication in the Official Gazette or in a newspaper of general circulation.
18

19 *Approved,*