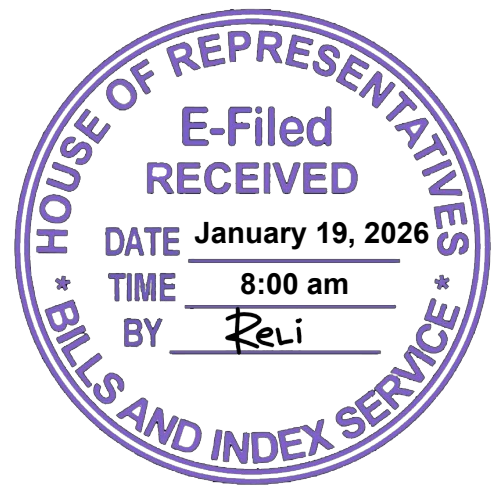




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session



House Bill No. 7167

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

EXPLANATORY NOTE

The Constitution recognizes the right of the people to a balanced and healthful ecology and imposes upon the State the duty to protect and advance this right. One of the recognized tools available to the State in pursuing environmental protection is the exercise of its taxing power, particularly to discourage activities that cause environmental harm and to internalize their social and ecological costs.

Plastic bags, particularly single-use secondary packaging such as “sando,” “labo,” and “ice” bags, contribute significantly to solid waste pollution in the Philippines. These materials are widely used, easily discarded, and rarely recycled, resulting in clogged waterways, increased flooding, marine pollution, and long-term ecological damage. The environmental costs associated with plastic bag waste are borne not by producers or consumers alone, but by society at large.

Despite various local ordinances regulating plastic bag use, the absence of a national fiscal measure has limited the effectiveness and uniformity of plastic waste reduction efforts. This bill seeks to address this gap by imposing an excise tax on plastic bags as a market-based instrument to discourage excessive production and consumption, promote the use of reusable alternatives, and generate resources for environmental programs.

The proposed measure amends the National Internal Revenue Code by imposing an excise tax on plastic bags at the point of production or importation. By taxing plastic bags by weight, the bill directly targets volume-based production and incentivizes manufacturers and importers to shift toward environmentally sustainable packaging options. The provision for an annual rate increase further ensures that the tax remains effective over time and responsive to inflation and environmental policy goals.

In addition to behavior modification, the bill earmarks the incremental revenues from the excise tax for environmental programs, particularly those implemented at the local level. This ensures that funds generated from plastic pollution are reinvested in waste reduction, environmental protection, and ecological rehabilitation initiatives, thereby reinforcing the polluter-pays principle.

The bill likewise strengthens enforcement by integrating existing excise tax filing, payment, and penalty mechanisms under the National Internal Revenue Code, ensuring administrative feasibility and compliance within established tax systems.

By using taxation as a regulatory and corrective tool, this measure balances environmental protection with economic activity, allowing consumers and producers to adjust behavior while contributing to national sustainability objectives.

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. 7167

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AN ACT
IMPOSING EXCISE TAX ON 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:

1 **SECTION 1. Short Title.** - This Act shall be known as the *"Plastic Bags Tax Act."*
2

3 **SEC. 2. Declaration of Policy.** - It is hereby declared the policy of the State to
4 protect and advance the right of the people to a balanced and healthful ecology in
5 accord with the rhythm and harmony of nature through the proper exercise of its power
6 of taxation.
7

8 **SEC. 3.** A new section designated as Section 150-C of the National Internal
9 Revenue Code of 1997, as amended, is hereby added to read as follows:
10

11 **"SEC. 150-C. PLASTIC BAGS. -**
12

13 **(A) RATE AND BASE OF TAX. - THERE SHALL BE LEVIED, ASSESSED,**
14 **AND COLLECTED AN EXCISE TAX IN THE AMOUNT OF ONE HUNDRED**
15 **PESOS (PHP100.00) FOR EVERY KILOGRAM OF PLASTIC BAG REMOVED**
16 **FROM THE PLACE OF PRODUCTION OR RELEASED FROM THE CUSTODY**
17 **OF THE BUREAU OF CUSTOMS (BOC).**
18

19 **THE RATE OF TAX IMPOSED UNDER THIS SUBSECTION SHALL BE**
20 **INCREASED BY FOUR PERCENT (4%) EVERY YEAR, EFFECTIVE ON**
21 **JANUARY 1, 2026, THROUGH REVENUE REGULATIONS ISSUED BY THE**
22 **SECRETARY OF FINANCE.**
23

24 **"PLASTIC BAGS" SHALL REFER TO SECONDARY LEVEL PLASTICS**
25 **MADE OF SYNTHETIC OR SEMISYNTHETIC ORGANIC POLYMER, SUCH**

1 AS "ICE", "LABO", OR "SANDO' BAGS, WITH OR WITHOUT HANDLE,
2 USED AS PACKAGING FOR GOODS OR PRODUCTS.
3

4 (B) FILING OF RETURN AND PAYMENT OF EXCISE TAX ON PLASTIC
5 BAGS. - THE PROVISIONS OF SECTIONS 130 AND 131 OF THE NATIONAL
6 INTERNAL REVENUE CODE OF 1997, AS AMENDED, ON THE FILING OF
7 RETURN AND PAYMENT OF EXCISE TAX SHALL APPLY.
8

9 (C) NON-PAYMENT OF EXCISE TAX - NON-PAYMENT OF THE EXCISE TAX
10 IMPOSED UNDER THIS ACT SHALL BE SUBJECT TO THE PERTINENT
11 PROVISIONS UNDER TITLES VIII AND X OF THE NATIONAL INTERNAL
12 REVENUE CODE OF 1997, AS AMENDED, REGARDING COLLECTION OF
13 UNPAID TAXES AND IMPOSITION OF CORRESPONDING FINES,
14 SURCHARGES, PENALTIES, AND IMPRISONMENT OR CLOSURE OF
15 BUSINESS."
16

17 **SEC. 4.** Section 288 of the National Internal Revenue Code of 1997, as amended,
18 is hereby further amended to read as follows:
19

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

21 (A) xxx

22 (B) xxx

23 (C) xxx

24 (D) xxx

25 (E) xxx

26 (F) xxx

27 (G) xxx

28 (H) REVENUES FROM THE EXCISE TAX ON PLASTIC BAGS - THE
29 INCREMENTAL REVENUES FROM THE IMPOSITION OF THE EXCISE
30 TAX ON PLASTIC BAGS SHALL BE ALLOCATED TO PROGRAMS OF
31 THE RATE OF TAX IMPOSED UNDER THIS SUBSECTION SHALL BE
32 INCREASED BY FOUR PERCENT (4%) EVERY YEAR, EFFECTIVE ON
33 JANUARY 1, 2026, THROUGH REVENUE REGULATIONS ISSUED BY
34 THE SECRETARY OF FINANCE.
35

36 THE GUIDELINES FOR THE AVAILMENT OF FUNDS BY
37 MUNICIPALITIES SHALL BE PREPARED BY THE DENR."
38

39 **SEC. 5. Implementing Rules and Regulations.** - Within sixty (60) days from
40 the effectivity of this Act, the Secretary of Finance shall, upon the recommendation of
41 the Commissioners of the Bureau of Internal Revenue and the Bureau of Customs,
42 and in consultation with the Department of Environment and Natural Resources, issue
43 and promulgate rules and regulations for the effective implementation of this Act.
44

45 **SEC. 6. Separability Clause.** – If any portion or provision of this Act is declared
46 unconstitutional, the remainder hereof or any provisions not affected thereby shall
47 remain in force and effect.
48

1 **SEC. 7. Repealing Clause.** – Any law, presidential decree or issuance,
2 executive order, letter of instruction, rule, or regulation inconsistent with the provisions
3 of this Act is hereby repealed or modified accordingly.

4 **SEC. 8. Effectivity.** – This Act shall take effect fifteen (15) days after its complete
5 publication in the Official Gazette or in a newspaper of general circulation.

6
7 *Approved,*