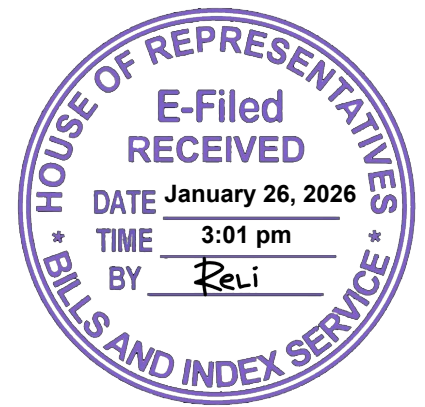


TWENTIETH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES
HOUSE BILL No. 7307

Introduced by **REP. CLAUDINE DIANA D. BAUTISTA-LIM**

AN ACT EXEMPTING ECONOMY CLASS PASSENGERS FROM THE PAYMENT OF TRAVEL TAX, AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 1183, AS AMENDED, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Presidential Decree No. 1183, as amended, imposes a travel tax on passengers departing from international airports in the Philippines.¹ While the travel tax was originally intended to generate funds for the development of tourism infrastructure, its continued imposition on economy class passengers has become a significant financial burden on ordinary Filipino travelers.

The majority of economy class passengers consist of overseas Filipino workers, students, migrant families, and small entrepreneurs who depend on affordable air travel for employment, education, family reunification, and livelihood.² The travel tax, when added to the rising cost of airfares and other mandatory charges, further increases the cost of international travel and places it beyond the reach of many Filipinos.

This proposed measure seeks to exempt economy class passengers from the payment of travel tax in order to promote inclusive mobility, ease the financial burden on working Filipinos, and encourage greater participation in international travel for tourism, education, and business.³ By retaining the travel tax on business and first class passengers, the government may continue to generate revenues from those who are more financially capable, while extending meaningful relief to the majority who travel in economy class.

The exemption is likewise expected to stimulate both outbound and inbound travel, increase airline passenger volume, and contribute to the recovery and sustained growth of the tourism and aviation sectors, which are vital components of national economic development.⁴

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

¹P.D. No. 1183, as amended (Travel Tax Law).

²1987 Constitution, Art. XIII, Sec. 3; Art. II, Sec. 13.

³1987 Constitution, Art. XII, Sec. 1.

⁴1987 Constitution, Art. II, Sec. 20.


CLAUDINE DIANA D. BAUTISTA-LIM
DUMPER PTDA Party-List

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

SECTION 1. Short Title. – This Act shall be known as the “**Economy Class Travel Tax Exemption Act.**”

SEC 2. Declaration of Policy. – It is the policy of the State to promote tourism, inclusive mobility, and equitable access to travel opportunities. The imposition of travel tax on economy class passengers unduly burdens ordinary Filipino travelers, including overseas workers, students, and small entrepreneurs. The State shall therefore adopt measures to make air travel more affordable and accessible.

SEC. 3. Exemption of Economy Class Passengers. – Economy class passengers who are Filipino citizens and departing from Philippine international airports, shall be exempt from the payment of travel tax as provided under Presidential Decree No. 1183, as amended.

SEC. 4. Retention of Travel Tax for Foreign Nationals and Other Classes. — The travel tax shall continue to be imposed on foreign nationals, regardless of flight class, as well as on all first-class and business-class passengers, at rates to be determined by the Tourism Infrastructure and Enterprise Zone Authority (TIEZA), in accordance with existing laws and regulations.

SEC. 5. Amendment of Presidential Decree No. 1183. – All provisions of Presidential Decree No. 1183 and its amendatory laws, rules, and regulations inconsistent with this Act are hereby amended accordingly.

SEC. 6. Implementing Rules and Regulations. – The Department of Tourism, in coordination with the Tourism Infrastructure and Enterprise Zone Authority (TIEZA), the Department of Transportation, and the Bureau of Internal Revenue, shall promulgate the necessary rules and regulations within ninety (90) days from the effectivity of this Act.

SEC. 7. Separability Clause. – If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in full force and effect.

SEC. 8. Repealing Clause. – All laws, decrees, executive orders, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 9. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,