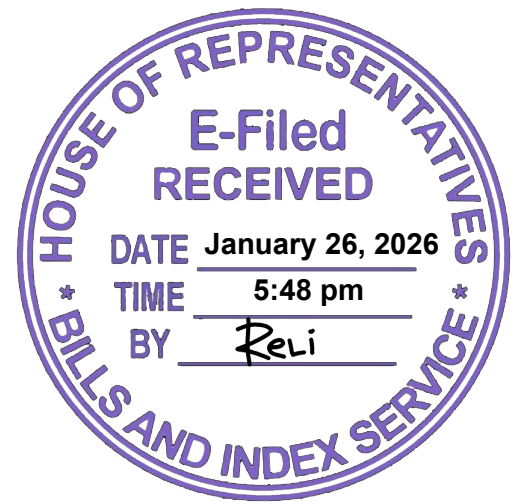




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. **7367**



Introduced by **Representative EDUARDO R. RAMA JR.**

EXPLANATORY NOTE

All Filipinos must be able to travel freely, without undue financial or regulatory hindrance. The freedom of movement is a right guaranteed by the Constitution, and policies that unnecessarily burden the exercise of this right deserve careful re-examination.

Abolishing the travel tax brings the State closer to fully realizing the constitutional guarantee of free movement, particularly for citizens, senior citizens, persons with disabilities, overseas workers, and students.

As provided in Presidential Decree No. 1183, it is the policy of the Government to lessen the restriction on foreign travel¹, however, rather than reducing restrictions on foreign travel, the continued imposition of the travel tax has effectively added a financial burden on travelers in the following amounts:²

Tax Rate	First Class	Economy
Full Travel Tax	PhP 2,700	PhP 1,620
Standard Reduced Travel Tax	PhP 1,350	PhP 810
Privileged Reduced Travel Tax for OFW	PhP 400	PhP 300

For Filipino families, students, and overseas workers, these amounts constitute a significant additional cost, especially when traveling as a group or for essential personal and professional reasons.

¹ Presidential Decree No. 1183, Preambulatory paragraph

² Rule III of the Revised TIEZA Rules and Regulations Implementing P.D. No. 1183, as Amended, on Travel Tax

This burden runs counter to the State's declared policy of lessening restrictions on foreign travel and ensuring that the right to travel is exercised in a reasonable and accessible manner.

While Republic Act No. 9593 or the Tourism Act of 2009 allocates travel tax proceeds to the Tourism Infrastructure and Enterprise Zone Authority, the Commission on Higher Education, and the National Commission for Culture and the Arts³, the budget for the programs from these agencies should be funded by existing fund sources, the same which already fund the regular operations of the National Government and not by individuals who already contribute substantially through income tax, value added tax, and other forms of taxation.

This measure is likewise consistent with the Philippines' regional and international commitments. Under the ASEAN Tourism Agreement signed in 2002, Member States committed to facilitate travel within the region, including the removal or phasing out of travel levies and travel taxes on nationals of ASEAN Member States traveling to other ASEAN Member States. Despite this commitment, such taxes continue to be imposed. Abolishing the travel tax for Filipinos and ASEAN nationals traveling within the ASEAN region represents a concrete step toward fulfilling these obligations and advancing regional integration.

Recent policy developments further support this approach. The exemption from travel tax granted to travelers departing from international airports in Mindanao and Palawan to BIMP-EAGA (Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area) destinations under Memorandum Order No. 29 reflects a recognition that easing travel costs promotes mobility, tourism, and economic growth.

Extending this policy nationwide aligns with these objectives and enhances the competitiveness of the Philippines as a regional tourism and transit hub.

In view of the foregoing, this bill seeks to abolish the travel tax on Filipinos and on nationals of ASEAN Member States traveling from the Philippines to other ASEAN Member States, in order to promote affordable travel, strengthen regional cooperation, and support inclusive economic growth.

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


REP. EDUARDO R. RAMA, JR.
2nd District, City of Cebu

³ Section 73 of Republic Act No. 9593



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AN ACT ABOLISHING THE TRAVEL TAX

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

SECTION 1. *Repeal.* - Presidential Decree No. 1183, as amended, laws, executive orders, or parts thereof inconsistent with this Act are hereby repealed, modified, or amended accordingly.

Further, Republic Act No. 1478, as amended, Republic Act No. 7722, Republic Act No. 9593, and all provisions of laws relating to the authority to collect, appropriate, or receive funding from the collection of travel tax are hereby repealed.

SECTION 2. *Effect of Repeal.* - Travel tax shall no longer be imposed on travellers leaving the Philippines to travel abroad.

The collection of travel taxes will be prohibited for flights booked *after* the effectivity of this Act.

SECTION 3. *Appropriations.* - The amount necessary for the programs funded by the travel tax collections and for the implementation of this Act shall be charged to the respective fund sources under the appropriations provided in the current General Appropriations Act (GAA) of the Department of Tourism for the Tourism Infrastructure and Enterprise Zone Authority (TIEZA), the Commission on Higher Education (CHED) for the Higher Education Development Fund, and the National Commission for Culture and the Arts (NCCA) for the National Endowment Fund for Culture and the Arts. Thereafter, such sums as may be necessary shall be included in the annual GAA.

SECTION 4. *Implementing Rules and Regulations.* - The Bureau of Internal Revenue (BIR), in coordination with the TIEZA, Department of Budget and Management, Bureau of Immigration, the Department of Tourism, and other relevant airport and seaport authorities, shall take the necessary steps to ensure the effective implementation of this Act. The implementing agencies shall promulgate the rules and regulations within sixty (60) days from the effectivity of this Act.

SECTION 5. *Non-entitlement of Refund.* - No person shall be entitled to a refund of travel taxes paid *prior to the effectivity of this Act*, regardless of the travel date.

SECTION 6. *Separability Clause.*— If, for any reason, any section of this Act shall be deemed unconstitutional and invalid, the other sections or provisions hereof shall not be affected and shall remain in force and effect.

SECTION 7. *Repealing Clause.* — All laws, executive orders, decrees, instructions, rules, and regulations, contrary to or inconsistent with any provisions of this Act, are repealed or amended accordingly.

SECTION 8. *Effectivity.* — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or a newspaper of general circulation.

Approved,