

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 7443



Introduced by Rep. FERDINAND ALEXANDER A. MARCOS
1st District, Ilocos Norte

EXPLANATORY NOTE

This bill proposes the immediate abolition of the travel tax to uphold the constitutional right to travel and to stimulate economic growth. At present, the Philippines imposes a fiscal burden on travelers by charging ₱2,700.00 for first-class passage and ₱1,620.00 for economy class. These rates disproportionately affect lower-income households. For a family of four, the travel tax may reach ₱6,480.00. This amount could have been allocated to essential household needs or reinvested in the local economy.

Although the travel tax has long formed part of the country's regulatory framework as a revenue-generating mechanism, it also functions as a deterrent to travel. Taxation on personal travel and online bookings suppresses demand, dampens tourism growth, and discourage mobility. The Philippines has consequently become a regional outlier since most ASEAN member states have already abolished similar levies to promote tourism and regional integration. The continued imposition of the travel tax runs counter to the ASEAN Tourism Agreement of 2002, which obligates member states to progressively eliminate travel-related levies on ASEAN nationals. Further, this proposed reform is amplified by rising airport terminal and modernization fees. Maintaining the travel tax, alongside these additional charges, creates financial barriers for the average Filipino.

Abolishing the tax will reduce travel costs and could also encourage more frequent domestic and international travel by Filipinos. Increased traveler volume will stimulate tourism-dependent sectors, including hotels, transportation services, tour operations, and retail establishments, resulting in broader economic activity and job creation. Lower travel costs will likewise expand opportunities for cultural exchange by enabling more Filipinos to access domestic and international destinations. At the same time, the removal of the travel tax will improve the country's attractiveness as a travel and business destination.

Finally, the bill directs the national government to fund TIEZA, CHED, and NCCA through the General Appropriations Act. This safeguards the continuity of essential programs without burdening the traveling public.

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


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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. Short Title. – This Act shall be known as the “Travel Tax Abolition Act of 2026.”

SEC. 2. Repealing Clause. – The State hereby abolishes the travel tax as imposed under Presidential Decree No. 1183, as amended, and Section 73 of Republic Act No. 9593, otherwise known as the “Tourism Act of 2009”. All laws, decrees, executive orders, rules, and regulations inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 3. Prohibition and Refund. – No government agency or private entity shall collect travel taxes upon the effectivity of this Act. For flights scheduled on or after the date of effectivity, the collecting authority shall immediately refund any previously paid travel taxes to the passenger.

SEC. 4. Budget and Alternative Funding. – To ensure the continuity of programs previously funded by travel tax collections, the national government shall provide the necessary funding for the following agencies through the annual General Appropriations Act (GAA):

1. The **Tourism Infrastructure and Enterprise Zone Authority (TIEZA)** for tourism development projects;
2. The **Commission on Higher Education (CHED)** for tourism-related higher education development funds; and
3. The **National Commission for Culture and the Arts (NCCA)** for the National Endowment Fund for Culture and the Arts.

SEC. 5. Implementing Rules and Regulations. – Within sixty (60) days from the approval of this Act, the TIEZA, in coordination with the Department of Budget and Management (DBM), shall promulgate the rules and regulations necessary for the efficient implementation of the tax refund and the transition to GAA-based funding.

SEC. 6. Separability Clause. – If any provision of this Act is declared invalid or unconstitutional, the remaining provisions shall remain in full force and effect.

SEC. 7. Effectivity. – This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in a newspaper of general circulation.

Approved,