



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



TWENTIETH CONGRESS

First Regular Session

House Bill No. **7631**

Introduced by REPRESENTATIVE GERALD CLOYD ALEXIS V. GALANG

EXPLANATORY NOTE

Presidential Decree No. 1183 was enacted as a revenue measure under the police power of the State, designating the Travel Tax as a fiscal instrument to fund the development of tourism infrastructure, educational exchanges, and cultural preservation. While rooted in the State's inherent power to tax, the continued application of this levy on intra-ASEAN travel has evolved into a fiscal policy that is increasingly discordant with the State's constitutional mandate to promote the general welfare and the Philippines' international commitments. *Further*, the 1987 Constitution mandates the State to "promote social justice in all phases of national development" (Art. II, Sec. 10).

The imposition of a travel tax ranging from ₱1,620 to ₱2,700 constitutes a regressive fiscal burden that disproportionately affects the working class and minimum wage earners. For the average laborer, this fee is not merely a nominal sum but a substantial financial obstacle to the exercise of their constitutional right to travel and abode (Art. III, Sec. 6). *Furthermore*, by erecting a financial barrier to mobility, the State inadvertently infringes upon the sanctity of the family unit (Art. XV, Sec. 2), hindering the right of families to maintain reunification across borders. Abolishing this tax corrects this inequity, ensuring that the freedom of movement is not predicated on one's economic capacity to pay a state levy.

From the perspective of fiscal policy, the retention of the Travel Tax creates a "deadweight loss" to the economy. The Department of Tourism records over 4 million Filipino travelers to ASEAN destinations annually. By eliminating this tax—estimated to conservatively save travelers ₱6.5 to ₱10 billion annually—this bill facilitates the recirculation of capital into the regional economy. This economic multiplier effect will invariably benefit the domestic tourism industry, as increased spending on accommodations, transport, and services stimulates commerce and generates downstream tax revenue far exceeding the static collection of the travel tax. This aligns with the constitutional directive to ensure that the national economy is effectively controlled by Filipinos and does not become beholden to restrictive fiscal practices that stifle consumption (Art. II, Sec. 19).

The principle of *reciprocity* and the adoption of best practices are essential in modern governance. Neighboring ASEAN member-states, such as Malaysia and Thailand, have strategically waived similar departure fees to enhance their competitiveness as tourism hubs. To maintain the Travel Tax places the Philippines at a competitive disadvantage, effectively penalizing transit passengers and discouraging multi-destination itineraries that include the Philippines. This bill modernizes our fiscal statutes to align with regional standards, ensuring that our aviation and tourism policies remain attractive, equitable, and globally competitive.

In light of the foregoing, the abolition of the Travel Tax for intra-ASEAN travel is not merely a matter of economic convenience but a necessary legal and policy shift. It reaffirms the State's commitment to social justice, enhances the vitality of the national economy, and honors our international obligations under the ASEAN charter. The passage of this bill is earnestly sought to align our fiscal architecture with the realities of a borderless ASEAN community.


GERALD GALANG
2nd Legislative District, City of Valenzuela



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Introduced by **REPRESENTATIVE GERALD CLOYD ALEXIS V. GALANG**

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

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

SECTION 1. *Abolishing the Travel Tax for ASEAN Travel.* - Travel tax shall no longer be imposed on:

- a) Filipino citizens leaving the Philippines for travel to other ASEAN member states;
- b) Nationals of the Association of Southeast Asian Nations (ASEAN) Member States departing the Philippines for travel to other ASEAN member states.

SEC. 2. *Implementing Rules and Regulations.* -The Tourism Infrastructure and Enterprise Zone Authority (TIEZA), in coordination with the 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.

The exemption from the travel tax shall entitle any person to a refund of travel taxes paid prior to the effectivity of this Act.

SEC. 3. *Separability Clause.* - Should any provision or part of this Act be declared unconstitutional or invalid, the other provisions and parts hereof, insofar as they are separable from the invalid ones, shall remain in full force and effect.

SEC. 4. *Repeating Clause.* - Presidential Decree No. 1183, as amended, laws, executive orders or parts thereof inconsistent with this Act are hereby repealed, modified, or amended accordingly.

SEC. 5. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or two (2) newspapers of general circulation.

Approved,