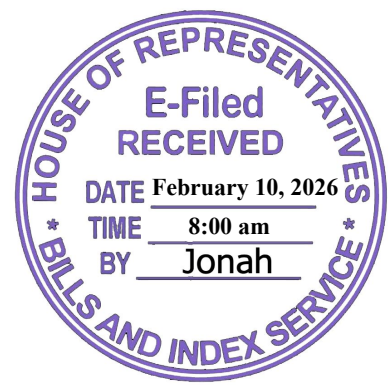


TWENTIETH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez and
Representative Maximo B. Rodriguez, Jr.*

House Bill No. 7695

EXPLANATORY NOTE

The travel tax imposed on Filipino travelers departing the country by air has long been a financial burden on ordinary citizens. Enacted under Presidential Decree No. 1183 in 1977, the travel tax was originally intended to conserve foreign exchange reserves and support tourism-related infrastructure during a period of economic constraint. Nearly five decades later, however, the conditions that justified its imposition no longer exist. The Philippines' economy has evolved, foreign exchange reserves have significantly improved, and the tourism sector has expanded and matured.

Despite these changes, Filipino travelers, regardless of income level, continue to shoulder the same tax burden. A factory worker, student, overseas worker, or retiree traveling on an economy-class ticket pays the same travel tax as a wealthy passenger flying in premium class. This uniform imposition is inherently inequitable and disproportionately affects ordinary Filipinos who have already struggled to save for airfare and other travel expenses. Rather than encouraging mobility and cultural exchange, the travel tax has become a barrier to the exercise of the constitutional right to travel.

The continued imposition of the travel tax also runs counter to the Philippines' commitments under the ASEAN Tourism Agreement of 2002, which encourages the removal of barriers to intra-regional travel. Most ASEAN member states have already abolished similar travel levies, placing Filipino travelers at a disadvantage and undermining regional integration.

This measure seeks to modernize travel taxation by abolishing the travel tax on economy-class passengers while retaining it for business-class and first-class travelers who possess greater capacity to pay. Such a policy strikes a fair balance between revenue considerations and social equity, ensuring that travel remains accessible to ordinary Filipinos without unduly burdening the most vulnerable.

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


RUFUS B. RODRIGUEZ


MAXIMO B. RODRIGUEZ, JR.

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AN ACT

AMENDING PRESIDENTIAL DECREE NO. 1183 BY ABOLISHING THE TRAVEL TAX FOR ECONOMY PASSAGE, AND PRESCRIBING MINIMUM TRAVEL TAX RATES FOR PREMIUM ECONOMY, BUSINESS CLASS, AND FIRST CLASS PASSAGE

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

SECTION 1. Section 1 of Presidential Decree No. 1183 is hereby further amended to read as follows:

Section 1. There is hereby imposed, in lieu of the travel taxes levied under Section three of Republic Act No. 1478, as amended, and Section six of Republic Act No. 6141, a Travel Tax from all citizens of the Philippines, permanent resident aliens and non-immigrant aliens who have stayed in the Philippines for a period of not less than one year. There shall be based on the fares on the trip from the Philippines and the trip returning on going to the Philippines as well as the fares paid in foreign country in continuation of the trip from the Philippines and the trip returning or going to the Philippines. The Secretary of Finance within sixty (60) days from the approval hereof, shall prepare the Schedule of Travel Tax for the approval of the President. The schedule of Travel Tax may be amended from time to time by the Secretary of Finance which amendment shall take effect upon approval by the President. The Travel tax under the Schedule shall not exceed the equivalent of fifteen per cent (15%) of the fare involved but in no case shall the tax be less than ~~[two]~~ **FIVE** thousand pesos for those traveling under first class passage; **THREE THOUSAND FOR THOSE TRAVELING UNDER BUSINESS CLASS PASSAGE, PREMIUM ECONOMY PASSAGE, OR ANY EQUIVALENT PASSAGE** ~~[one thousand two hundred and fifty pesos for those traveling under economy class passage and seven hundred and fifty pesos for all others]~~; provided, however, That subject to the provisions of Sec. 2 (i) and (k) hereof, individuals who are twelve years old or below shall pay only fifty per cent of the tax imposed therein.

SECTION 2. Section 2 of Presidential Decree No. 1183 is hereby further amended to read as follows:

Section 2. The following shall be exempt from the payment of the travel tax imposed under section one of this Decree.

XXX XXX XXX

(k) Infants who are two years old or less.

(L) PASSENGERS TRAVELING UNDER ECONOMY PASSAGE

SECTION 3. *Separability Clause.* - If for any reason, any provision of this Act or the application thereof to any person or circumstances, is held invalid, the remaining provision not affected thereby shall be in full force and effect.

SECTION 4. *Repealing Clause.* All laws, executive orders, rules and regulations or parts thereof in conflict with the provision of this Act are hereby repealed or amended accordingly.

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

Approved,