

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 7758



Introduced by: Hon. Keith Micah "Atty. Mike" D.L. Tan

AN ACT
ABOLISHING THE TRAVEL TAX IMPOSED ON FILIPINOS DEPARTING FROM
THE PHILIPPINES VIA ECONOMY CLASS PASSAGE, AMENDING FOR THE
PURPOSE PRESIDENTIAL DECREE NO. 1183, AS AMENDED

EXPLANATORY NOTE

The right to travel is a fundamental human right guaranteed by the 1987 Constitution. Article III, Section 6 explicitly states that the liberty of travel shall not be impaired except in the interest of national security, public safety, or public health, as may be provided by law.

While the travel tax was originally imposed under Presidential Decree No. 1183 in 1977 to curtail unnecessary foreign travel and conserve foreign exchange, the economic landscape of the Philippines has drastically changed. Today, travel is no longer a luxury exclusive to the elite but a necessity for many Filipino families, overseas workers, and students.

The imposition of a travel tax, currently set at P1,620.00 for economy class passengers, constitutes an additional and undue financial burden on ordinary Filipino travelers who are already subject to terminal fees and other airport-related charges. This added cost serves as a barrier to the freedom of movement and diminishes the purchasing power of Filipino families traveling for leisure, education, or employment.

While the government reviews the distributional impact of the abolition of travel tax, fiscal experts note that the loss of this steady income stream could exacerbate existing fiscal challenges unless sustainable alternative funding sources are established.

On the other hand, various industry analysts argue that removing the "outdated" tax would align the Philippines with its ASEAN neighbors and significantly boost the economy. They estimate that while the government might

lose roughly P4 billion to P5 billion in direct tax revenue, the resulting increase in tourism activity and consumer spending could generate nearly P300 billion in economic gains.¹

Advocates suggest that eliminating the P1,620.00 economy class fees would make international travel more affordable for Filipinos and encourage regional mobility, fulfilling commitments under the ASEAN Tourism Agreement², which encourages member states to phase out travel levies to foster better regional integration and tourism. Abolishing this tax for economy passengers aligns our national policy with international commitments and regional standards.

This bill seeks to abolish the travel tax for all Filipino citizens traveling via economy class, thereby democratizing travel, easing the financial burden on the average Filipino, and upholding the constitutional right to liberty of movement.

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



Keith Micah "Atty. Mike" D.L. Tan
4th District, Quezon

¹ Inosante, A. R. A. (2025, July 31). DoF warns of P5-B revenue loss if travel tax is eliminated. BusinessWorld Online. <https://www.bworldonline.com/top-stories/2025/07/31/688567/dof-warns-of-p5-b-revenue-loss-if-travel-tax-is-eliminated/>

² <https://agreement.asean.org/media/download/20140119115530.pdf>

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 7758

Introduced by: Hon. Keith Micah "Atty. Mike" D.L. Tan

AN ACT
ABOLISHING THE TRAVEL TAX IMPOSED ON FILIPINOS DEPARTING FROM
THE PHILIPPINES VIA ECONOMY CLASS PASSAGE, AMENDING FOR THE
PURPOSE PRESIDENTIAL DECREE NO. 1183, AS AMENDED

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

SECTION 1. Section 1 of Presidential Decree No. 1183, is 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 thousand pesos for those traveling under first class 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 NO TRAVEL TAX SHALL BE IMPOSED UPON THOSE TRAVELING UNDER ECONOMY CLASS PASSAGE; PROVIDED FURTHER, 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."

SEC. 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 - "x x x

"(I) PASSENGERS TRAVELING UNDER ECONOMY CLASS PASSAGE."

SEC. 3. *Repealing Clause.* - All laws, presidential decrees, executive orders, rules and regulations or part thereof, contrary to or inconsistent with the provisions of this Act, are hereby repealed or modified accordingly.

SEC. 4. *Separability Clause.* - If any section or provision of this Act is held unconstitutional or invalid, all other sections or provisions shall remain in full force and effect.

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

Approved,