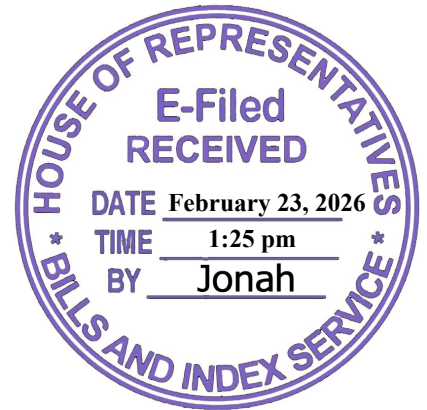


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 7936



Introduced by:

HON. CHRISTOPHERSON "COCO" M. YAP

EXPLANATORY NOTE

The travel tax is an added charge on airline tickets that was created many years ago to raise money for tourism, education, and cultural programs. While it was meant to support public goals, it has become an extra burden on travelers and a complicated system to collect and manage. Today, there are better and more transparent ways to fund these programs without charging passengers an additional tax every time they travel.

This bill removes the travel tax entirely and shifts the funding of affected programs to the national budget, where they can be openly reviewed and approved by Congress each year. Instead of relying on an automatic charge hidden in ticket prices, support for tourism, higher education, and culture will come from clear and direct appropriations under the General Appropriations Act. This makes government spending easier to track, fairer, and more accountable to the public.

To protect passengers, the bill clearly states that no travel tax may be collected for trips on or after the law takes effect. If any passenger is wrongly charged, the bill requires a proper refund process so people get their money back. In short, this measure lightens the cost of travel, modernizes public financing, and ensures that important programs continue to receive support, this time in a way that is open, fair, and easier for everyone to understand.

In view of the foregoing, **ug sa ngalan sa SERBISYONG TINUORAY**, the undersigned respectfully requests the immediate passage of this measure.


CHRISTOPHERSON "COCO" M. YAP
Representative, Second District of Southern Leyte

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AN ACT

ABOLISHING THE TRAVEL TAX, PROVIDING FOR THE REFUND OF TRAVEL TAXES COLLECTED FOR TRAVEL ON OR AFTER THE EFFECTIVITY OF THIS ACT, AND PROVIDING TRANSITIONAL FUNDING FOR PROGRAMS PREVIOUSLY FUNDED FROM TRAVEL TAX PROCEEDS

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*.”

SECTION. 2. Declaration of Policy. — It is the policy of the State to remove the travel tax burden on passengers while ensuring the continuity of public programs previously funded from travel tax proceeds through appropriations in the General Appropriations Act (GAA), consistent with the Constitution and existing budget laws.

SECTION 3. Abolition of the Travel Tax. —

- (a) The travel tax imposed under Presidential Decree No. 1183, as amended, and all other laws, decrees, rules, and regulations establishing, increasing, amending, or otherwise implementing the travel tax, are hereby abolished.
- (b) Section 73 of Republic Act No. 9593, otherwise known as the “Tourism Act of 2009”, and all related provisions on the collection and allocation of travel tax proceeds that are inconsistent with the abolition under this Act are hereby repealed or modified accordingly.

SECTION 4. Prohibition on Collection; Cut-off Rule. —

- (a) No government agency, government instrumentality, government-owned or -controlled corporation, or private entity acting as collecting agent or intermediary shall collect travel tax for travel scheduled on or after the effectivity of this Act.
- (b) Any travel tax amount collected, withheld, charged, or embedded in ticket charges for travel scheduled on or after the effectivity of this Act shall be unlawful and shall be refunded in accordance with Section 5 hereof.

SECTION 5. Refund of Travel Tax Collected for Travel on or After Effectivity.

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- (a) Coverage. — Refund shall apply to travel tax payments collected for travel scheduled on or after the effectivity date of this Act, regardless of the date of ticket purchase.
- (b) Payor/Responsible Party. — The entity that collected the travel tax from the passenger (including airlines, travel agents, online booking platforms, or other intermediaries) shall process and release the refund to the passenger within thirty (30) days from
 - (i) the passenger's submission of a refund request and proof of payment, or
 - (ii) the effectivity of this Act, whichever is later.
- (c) Reimbursement Chain. — The collecting entity may, in accordance with the implementing rules, recover the refunded amounts from the government entity to which such collections were remitted, or from any settlement mechanism established in the IRR, subject to accounting and auditing rules.
- (d) Non-waiver. — Any stipulation, ticket condition, or contract term waiving the passenger's right to the refund provided herein shall be void.
- (e) Administrative Liability. — Without prejudice to existing laws, failure or refusal to refund covered travel tax amounts within the period provided herein, without lawful justification, shall subject responsible officers to appropriate administrative sanctions under applicable civil service and regulatory rules.

SECTION 6. Transitional Budgeting and Alternative Funding. —

- (a) Consistent with the policy recognized under Republic Act No. 9593 that the National Government shall look for alternative funding sources for programs funded by travel tax in the event of a phase out, Congress shall appropriate, through the GAA, amounts sufficient to support the continuity of programs previously funded from travel tax proceeds.
- (b) For this purpose, the following shall be included as distinct line items in the GAA, subject to existing budget preparation, authorization, and execution rules:
 - (1) Tourism Infrastructure and Enterprise Zone Authority (TIEZA) — for tourism development and tourism infrastructure projects previously supported from travel tax proceeds;
 - (2) Commission on Higher Education (CHED) — for tourism-related programs funded through the Higher Education Development Fund component supported by travel tax proceeds; and
 - (3) National Commission for Culture and the Arts (NCCA) — for programs previously supported from the NCCA share in travel tax proceeds.
- (c) Nothing in this Act shall be construed as authority for any off-GAA transfer, cross-border transfer, or augmentation outside the limits allowed by the Constitution and jurisprudence.

SECTION 7. Implementing Rules and Regulations. — Within sixty (60) days from the effectivity of this Act, the Tourism Infrastructure and Enterprise Zone Authority (TIEZA), in coordination with the Department of Budget and Management (DBM), the Civil Aeronautics Board (CAB), the Department of Transportation (DOTr), and other concerned agencies, shall promulgate the implementing rules and regulations to ensure:

- (a) immediate cessation of collection;
- (b) an efficient refund process; and
- (c) orderly transition to GAA-based funding. The IRR shall take effect fifteen (15) days after publication in a newspaper of general circulation.

SECTION 8. Separability Clause. — If any provision of this Act is declared unconstitutional or invalid, the remaining provisions not affected thereby shall remain in full force and effect.

SECTION 9. Repealing Clause. — All laws, decrees, executive orders, rules and regulations, issuances, or parts thereof inconsistent with this Act are hereby repealed, amended, or modified accordingly.

SECTION 10. Effectivity. — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,