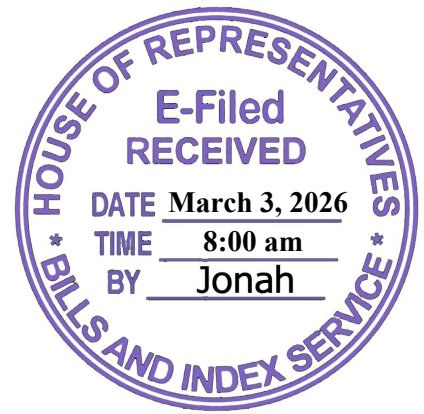


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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8237



Introduced by REP. JESUS “BONG” C. SUNTAY

EXPLANATORY NOTE

The Philippines remains one of the most oil-import dependent economies in Asia. Virtually all petroleum products consumed in the country—diesel, gasoline, kerosene, and liquefied petroleum gas (LPG)—are sourced from international markets, making the domestic economy highly vulnerable to geopolitical shocks affecting global oil supply.

Recent events in the Middle East have once again demonstrated this vulnerability. The ongoing armed conflict involving the United States, Israel, and Iran has triggered severe disruptions in global energy markets. Military strikes and retaliatory actions in the Persian Gulf have placed the Strait of Hormuz—one of the most critical oil transit chokepoints in the world—at risk of closure or restricted passage. This maritime corridor alone carries roughly twenty percent (20%) of the world’s oil supply and a significant share of liquefied natural gas shipments.

As a result of the conflict and the threat to global oil transport routes, international crude oil prices have already surged sharply, with analysts warning that prices may climb toward or even exceed USD 100 per barrel should the crisis escalate further. The disruption of tanker traffic and the suspension of shipping operations through the Strait of Hormuz have intensified supply fears, causing immediate volatility in global energy markets and raising fuel costs worldwide.

For countries like the Philippines, these developments have immediate and direct consequences. Rising global oil prices translate into higher pump prices, increased transportation costs, higher electricity rates, and inflationary pressures across essential goods such as food and basic commodities. The burden is ultimately borne by ordinary Filipino consumers, workers, farmers, and small businesses.

In such periods of global energy crisis, it is incumbent upon the State to adopt responsive policy measures that mitigate the economic impact on the Filipino people. One immediate intervention available to Congress is the removal of government-imposed excise taxes on petroleum products.

At present, the National Internal Revenue Code, as amended by Republic Act No. 10963 or the Tax Reform for Acceleration and Inclusion (TRAIN) Law, imposes excise taxes on petroleum products such as diesel, gasoline, kerosene, fuel oil, and LPG. While these taxes were originally justified as part of broader fiscal reforms, they also

1 add a fixed cost component to fuel prices regardless of international market
2 conditions.

3
4 During periods of extraordinary global price shocks, maintaining such taxes
5 exacerbates the financial burden on consumers and industries that depend on fuel.
6 By abolishing the excise tax on petroleum products, the government can immediately
7 cushion the impact of rising international oil prices and help stabilize domestic fuel
8 costs.

9
10 This proposed measure therefore seeks to abolish the excise taxes imposed on diesel,
11 kerosene, liquefied petroleum gas (LPG), fuel oil, and unleaded gasoline under
12 Section 148 of the National Internal Revenue Code of 1997, as amended.

13
14 This policy is not merely a fiscal adjustment. It is an economic relief measure designed
15 to protect Filipino households and sustain economic stability during a period of global
16 geopolitical uncertainty and energy market disruption.

17
18 In times of international crisis beyond our control, government policy must remain
19 responsive to the needs of the people. The abolition of excise taxes on petroleum
20 products is a necessary and timely step to shield the Filipino public from the full
21 impact of the ongoing global oil crisis.

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23 In view of the foregoing, the immediate passage of this bill is earnestly sought.
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29 **REP. JESUS "BONG" C. SUNTAY**
30 **4th District, Quezon City**

1 Republic of the Philippines
2 **HOUSE OF REPRESENTATIVES**
3 Constitution Hills, Quezon City

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5 **TWENTIETH CONGRESS**
6 First Regular Session

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8 **HOUSE BILL NO. 8237**
9

10
11 Introduced by REP. JESUS “BONG” C. SUNTAY

12
13 **AN ACT**

14 **ABOLISHING THE EXCISE TAX IMPOSED ON DIESEL, KEROSENE,**
15 **LIQUEFIED PETROLEUM GAS, FUEL OIL AND UNLEADED GASOLINE**
16 **OIL, AMENDING SECTION 148 OF THE NATIONAL INTERNAL**
17 **REVENUE CODE OF 1997, AS AMENDED**

18
19 *Be it enacted by the Senate and House of Representative of the Philippines in*
20 *congress assembled:*

21
22 **Section 1. Abolition of Excise Tax.**

23 The imposition of excise tax on diesel, kerosene, liquefied petroleum gas (LPG), fuel
24 oil and unleaded gasoline oil enumerated under Section 148 of the National Internal
25 Revenue Code of 1997, as amended, is hereby abolished.

26
27 **Sec. 2. Implementing Rules and Regulations.**

28 Within thirty (30) days from the effectivity of this Act, the Secretary of Finance shall,
29 upon the recommendation of the Commissioner of Internal Revenue, promulgate the
30 rules and regulations necessary for its effective implementation.

31
32 **Sec. 3. Separability Clause.**

33 Should any provision or part of this Act be declared unconstitutional or invalid, the
34 other provisions and parts hereof, insofar as they are separable from the invalid ones,
35 shall remain in full force and effect.

36
37 **Sec. 4. Repealing Clause.**

38 The provisions on the imposition of excise taxes on diesel, kerosene, liquefied
39 petroleum gas (LPG), fuel oil and unleaded gasoline oil under Republic Act No. 10963
40 or the Tax Reform for Acceleration and Inclusion Law, BIR Revenue Regulation No.
41 2-2018, and other laws, executive orders, and decrees, insofar as they impose excise
42 tax on said petroleum products, are likewise repealed.

43 All other laws, decrees, orders, issuances, rules and regulations or parts thereof which
44 are inconsistent with this Act are hereby repealed or modified accordingly.

45
46 **Sec. 5. Effectivity.**

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

49
50 Approved,