



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

Twentieth Congress
First Regular Session

HOUSE BILL NO. 8257



Introduced by ATTY. MIRO S. QUIMBO

EXPLANATORY NOTE

The Constitution vests in Congress the exclusive power to impose and adjust taxes, including excise taxes on petroleum products. Throughout our history, Congress has, in moments of crisis, crafted mechanisms that allow the government to respond swiftly to extraordinary circumstances to protect Filipino consumers and preserve macroeconomic stability.

Today, geopolitical tensions in the Middle East threaten to trigger volatility in global oil markets. Experience has shown that sudden spikes in crude oil prices quickly translate into higher fuel, transport, electricity, and food costs. In an economy where household consumption remains a key growth driver, unchecked increases in fuel prices can significantly burden families and dampen economic activity.

At the same time, fiscal prudence remains essential. Any intervention affecting excise tax collections must be temporary, conditional, and carefully designed to avoid undermining revenue stability and long-term fiscal sustainability.

This bill is therefore crafted to strike a careful balance: it preserves Congress' constitutional authority over tax policy, while allowing the

President—under clearly defined conditions, limited duration, and strict reporting requirements—to suspend or reduce excise taxes during national or global economic emergencies. By providing both flexibility and safeguards, the measure ensures swift relief when needed, without relinquishing legislative oversight.



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AN ACT
GRANTING THE PRESIDENT OF THE PHILIPPINES POWER
TO SUSPEND OR REDUCE THE EXCISE TAX ON PETROLEUM
PRODUCTS DURING NATIONAL OR GLOBAL ECONOMIC
EMERGENCIES, AMENDING FOR THE PURPOSE SECTION 148
OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS
AMENDED

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

SECTION 1. Section 148 of the National Internal Revenue Code (NIRC) of 1997, as amended, is hereby further amended by inserting a new paragraph to read as follows:

“SEC. 148. Manufactured Oils and Other Fuels. - There shall be collected on refined and manufactured mineral oils and motor fuels, the following excise taxes which shall attach to the goods hereunder enumerated as soon as they are in existence as such:

xxx

~~[For the period covering 2018 to 2020, the scheduled increase in the excise tax on fuel as imposed in this Section shall be suspended when the average Dubai crude oil price based on Mean of Platts Singapore (MOPS) for three (3) months prior to the scheduled increase of the month reaches or exceeds Eighty dollars (USD 80) per barrel.]~~

~~[Provided, That the Department of Finance shall perform an annual review of the implementation of the excise tax on fuel and shall, based on projections provided and recommendations of the Development budget coordination Committee, as reconciled from the conditions as provided above, recommend the implementation or suspension of the excise tax on fuel: Provided, further, That the recommendation shall be given on a yearly basis: Provided, finally, That any suspension of the increase in excise tax shall not result in any reduction of the excise tax being imposed at the time of the suspension.]~~

THE PRESIDENT MAY, UPON THE RECOMMENDATION OF THE SECRETARY OF FINANCE, SUSPEND THE IMPOSITION OF EXCISE TAXES ON FUEL UNDER THIS SECTION, SUBJECT TO THE FOLLOWING CONDITIONS:

(A) THE AVERAGE DUBAI CRUDE OIL PRICE HAS REACHED OR EXCEEDED EIGHTY DOLLARS (USD 80) PER BARREL FOR A CONTINUOUS PERIOD OF AT LEAST THREE (3) MONTHS IMMEDIATELY PRECEDING THE ISSUANCE OF THE SUSPENSION ORDER; OR

(B) A STATE OF NATIONAL EMERGENCY OR CALAMITY HAS BEEN DECLARED BY THE

PRESIDENT, AND SUCH CONDITION HAS RESULTED IN EXTRAORDINARY INCREASES IN DOMESTIC PUMP PRICES OF PETROLEUM PRODUCTS AS CERTIFIED BY THE SECRETARY OF ENERGY.

THE SUSPENSION MAY BE APPLIED TO SPECIFIC PETROLEUM PRODUCTS AND MAY BE IMPLEMENTED EITHER AS A FULL SUSPENSION OR PARTIAL REDUCTION OF THE APPLICABLE EXCISE TAX RATES UNDER THIS SECTION, AS MAY BE WARRANTED BY PREVAILING CONDITIONS.

ANY SUSPENSION OR REDUCTION AUTHORIZED UNDER THIS SECTION SHALL BE EFFECTIVE FOR A PERIOD NOT EXCEEDING SIX (6) MONTHS, UNLESS OTHERWISE EXTENDED OR TERMINATED EARLIER BY CONGRESS THROUGH A JOINT RESOLUTION: *PROVIDED*, THAT THE AGGREGATE PERIOD OF SUCH SUSPENSION SHALL NOT EXCEED ONE (1) CALENDAR YEAR: *PROVIDED, FURTHER*, THAT ANY SUSPENSION OR REDUCTION SHALL BE LIFTED WHEN THE CONDITIONS THAT WARRANT SUCH SUSPENSION OR REDUCTION NO LONGER EXIST: *PROVIDED, FINALLY*, THAT UPON THE EXPIRATION OF THE PERIOD OF SUSPENSION, THE APPLICABLE EXCISE TAX RATES SHALL BE AUTOMATICALLY REINSTATED WITHOUT NEED OF FURTHER LEGISLATIVE OR EXECUTIVE ACTION.

WITHIN FIFTEEN (15) DAYS FROM THE ISSUANCE OF THE SUSPENSION ORDER, AND EVERY MONTH THEREAFTER, THE PRESIDENT, THROUGH THE SECRETARY OF FINANCE,

IS REQUIRED TO SUBMIT TO CONGRESS A REPORT ON
THE FOLLOWING:

1. THE FACTUAL BASIS FOR THE SUSPENSION
OR REDUCTION OF EXCISE TAXES;
2. THE ESTIMATED FOREGONE REVENUES; AND
3. THE EXPECTED IMPACT ON INFLATION, FUEL
PRICES, AND OTHER ECONOMIC ACTIVITY.”

SEC. 2. *Implementing Rules and Regulations (IRR).* - Within thirty (30) days from the effectivity of this Act, the Secretary of Finance, upon the recommendation of the Commissioner of Internal Revenue, shall promulgate the necessary rules and regulations for its effective implementation.

SEC. 3. *Separability Clause.* - If any provision of this Act is declared invalid or unconstitutional, the other provisions not affected thereby shall remain in full force and effect.

SEC. 4. *Repealing Clause.* - All laws, decrees, orders, rules, and regulations or parts thereof inconsistent with this Act are hereby repealed, amended, or modified accordingly.

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

Approved,