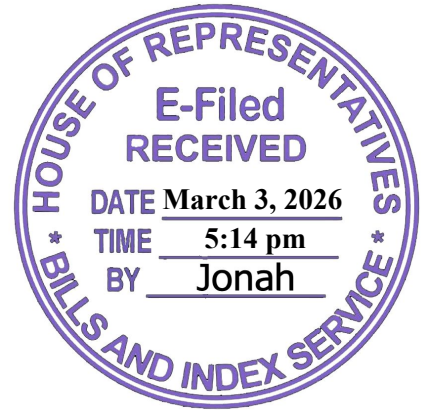




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session



House Bill No. 8261

Introduced by CIBAC Party-List Representative
EDUARDO “BRO. EDDIE” C. VILLANUEVA

EXPLANATORY NOTE

In recent weeks, escalating conflict in the Middle East — particularly military strikes involving the United States, Israel, and Iran — has disrupted global energy markets and driven a surge in crude oil prices. Attacks on infrastructure and retaliatory actions have threatened shipping through the Strait of Hormuz, a narrow maritime chokepoint through which roughly one-fifth of the world’s crude oil trade passes. These developments have contributed to significant increases in international oil benchmarks, with prices rising sharply on fears of prolonged supply disruption and logistical bottlenecks. Analysts warn that, in extreme scenarios, Brent and other major crude price benchmarks could spike substantially if regional tensions persist and shipping routes remain constrained¹

The Philippines — like many Asian economies — is heavily dependent on imported petroleum products for transportation, industry, and energy needs. Thus, volatility in global crude prices quickly translates into higher domestic pump prices for gasoline and diesel, which in turn contributes to inflationary pressures, increased transport and logistics costs, and higher prices for basic goods and services. Local authorities have already expressed concerns about weekly oil price hikes amid lingering uncertainty in global markets².

The purpose of this bill is to provide a fiscal tool and mechanism that allows for the temporary suspension or reduction of excise taxes on regular gasoline, unleaded premium gasoline, and diesel when global crude price benchmarks reach levels that pose significant inflationary risk to the Philippine economy. By amending Section 148 of the National Internal Revenue Code, the measure enables the President, upon recommendation of the Secretary of Finance (in consultation with the Secretary of Energy), to adjust excise rates in response to objective international price triggers —

¹ 02 March, 2026. Oil price surges on Middle East conflict, Inquirer. Available at

<https://business.inquirer.net/576917/oil-price-surges-on-middle-east-conflict>. Accessed March 3, 2026

² 03 March, 2026. DOE warns of weekly oil price hikes as oil prices soar. ABS-CBN News. Available at <https://www.abs-cbn.com/news/business/2026/3/3/doe-warns-of-weekly-oil-price-hikes-as-oil-prices-soar-1020>. Accessed March 3, 2026.

specifically when the average Dubai crude price based on internationally recognized benchmarks meets or exceeds USD 80 per barrel.

This approach aligns public fiscal policy with real-world market conditions, protecting consumers and the broader economy from rapid fuel price inflation while preserving the State's ability to safeguard revenue and macroeconomic stability. The bill also requires transparency by mandating that the Department of Finance submit a report to Congress explaining the economic and fiscal basis for any recommended tax action.

By institutionalizing an evidence-based mechanism that activates during periods of extraordinary global oil price strain — such as those triggered by geopolitical conflicts — this measure provides a responsible, balanced way to mitigate external cost shocks without undermining long-term revenue stability.

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


EDUARDO "BRO. EDDIE" C. VILLANUEVA



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HOUSE BILL NO. 8261

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AN ACT
PROVIDING FOR THE TEMPORARY SUSPENSION OR REDUCTION OF EXCISE TAXES ON REGULAR GASOLINE, UNLEADED PREMIUM GASOLINE, AND DIESEL, AMENDING FOR THE PURPOSE SECTION 148 OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED

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

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

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

8
9 xxx

10
11 SEC. 148-B. *TEMPORARY SUSPENSION OR REDUCTION OF EXCISE*
12 *TAX ON PERTINENT PETROLEUM PRODUCTS. -*

13 (A) NOTWITHSTANDING THE PROVISIONS OF SECTION 148, WHEN
14 PUBLIC INTEREST SO REQUIRES, AND UPON
15 RECOMMENDATION OF THE SECRETARY OF FINANCE, IN
16 CONSULTATION WITH THE SECRETARY OF ENERGY, THE
17 PRESIDENT OF THE PHILIPPINES MAY, BY EXECUTIVE ORDER,
18 SUSPEND OR REDUCE THE EXCISE TAX IMPOSED ON
19 REGULAR GASOLINE, UNLEADED PREMIUM GASOLINE, AND
20 DIESEL FUEL OIL, WHEN THE AVERAGE DUBAI CRUDE OIL
21 PRICE BASED ON THE MEAN OF PLATTS SINGAPORE (MOPS),
22 OR SUCH OTHER INTERNATIONALLY RECOGNIZED

1 BENCHMARK AS MAY BE DETERMINED BY THE DEPARTMENT
2 OF FINANCE (DOF), REACHES OR EXCEEDS EIGHTY UNITED
3 STATES DOLLARS (USD 80) PER BARREL.

4 (B) THE RECOMMENDATION OF THE SECRETARY OF FINANCE
5 SHALL BE BASED ON AN ASSESSMENT OF:

- 6 1. INFLATIONARY PRESSURES AND CONSUMER PRICE
7 IMPACT;
- 8 2. FISCAL POSITION AND REVENUE IMPLICATIONS;
- 9 3. MACROECONOMIC STABILITY; AND
- 10 4. THE EXISTENCE OF EXTRAORDINARY GEOPOLITICAL
11 EVENTS, SUPPLY DISRUPTIONS, OR ABNORMAL GLOBAL
12 OIL MARKET CONDITIONS.

13 (C) ANY EXECUTIVE ORDER ISSUED PURSUANT TO THIS SECTION
14 SHALL SPECIFY THE DURATION AND EXTENT OF THE
15 SUSPENSION OR REDUCTION.

16 (D) THE SUSPENSION OR REDUCTION SHALL BE DEEMED
17 AUTOMATICALLY LIFTED, AND THE EXCISE TAX RATES UNDER
18 SECTION 148 SHALL AUTOMATICALLY RESUME TO THEIR
19 STATUTORY LEVELS, WHEN THE AVERAGE DUBAI CRUDE OIL
20 PRICE BASED ON MOPS FALLS BELOW EIGHTY UNITED
21 STATES DOLLARS (USD 80) PER BARREL FOR A PERIOD OF AT
22 LEAST THIRTY (30) CONSECUTIVE DAYS, UNLESS EARLIER
23 REVOKED UPON RECOMMENDATION OF THE SECRETARY OF
24 FINANCE.

25 (E) THE DOF SHALL SUBMIT A REPORT TO CONGRESS WITHIN
26 FIFTEEN (15) DAYS FROM THE ISSUANCE OF ANY
27 RECOMMENDATION UNDER THIS SECTION, DETAILING THE
28 ECONOMIC AND FISCAL BASIS THEREOF.”

29
30 **SEC. 2. Implementing Rules and Regulations.** – Within fifteen (15) days from
31 the effectivity of this Act, the DOF shall promulgate the necessary rules and
32 regulations to effectively implement the provisions of this Act.

33
34 **SEC. 3. Separability Clause.** – If any portion or provision of this Act is declared
35 unconstitutional, the remainder hereof or any provisions not affected thereby shall
36 remain in force and effect.

37
38 **SEC. 4. Repealing Clause.** – Any law, presidential decree or issuance,
39 executive order, letter of instruction, rule, or regulation inconsistent with the provisions
40 of this Act is hereby repealed or modified accordingly.

41
42 **SEC. 5. Effectivity.** – This Act shall take effect immediately after its complete
43 publication in the Official Gazette or in a newspaper of general circulation.

44
45 *Approved,*