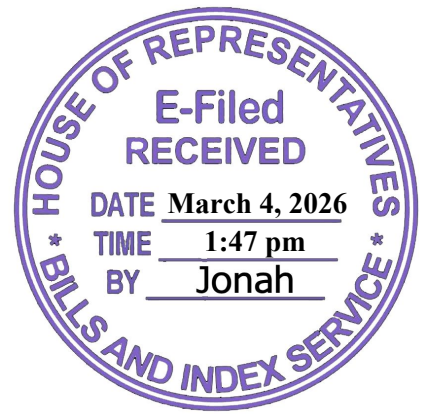




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Twentieth Congress
First Regular Session

HOUSE BILL NO. 8275



Introduced by Representative Lordan G. Suan

EXPLANATORY NOTE

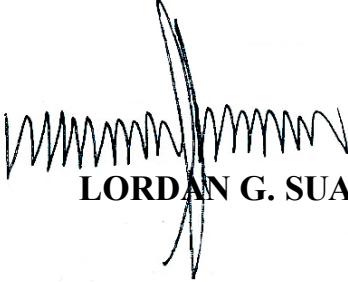
The growing tension in the Middle East and the conflicts between states compel us to adjust or take immediate precautionary measures to mitigate their effects on our economy and ensure it remains buoyant and stable. Oil and its by-products are the most affected commodities in these situations. Suspensions and restrictions on their production, manufacturing, and shipment will automatically create high volatility in fuel prices in the Philippines. The increase in fuel prices creates a domino effect on the prices of commodities, affecting most significantly vulnerable sectors.

This measure aims to empower the President to intervene and protect the Filipino people. It authorizes the President to either suspend the imposition of excise tax on petroleum products or reduce the tax rates imposed upon them. This authorization is specifically granted during global or national economic emergencies or when public interest is at stake. A favorable economic condition warrants that such an emergency measure shall be lifted immediately.

This bill also seeks to amend Section 148 of the National Internal Revenue Code of 1997 to guarantee any sitting President the power of excise tax suspension or rate reduction when warranted by public interest and unfavorable economic situations.

The Department of Finance and the Bureau of Internal Revenue are required to provide mechanisms for compliance and monitoring to ensure that any suspension or reduction shall benefit the consumers.

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



LORDAN G. SUAN



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

Twentieth Congress
First Regular Session

HOUSE BILL NO. 8275

Introduced by Representative Lordan G. Suan

AN ACT
AUTHORIZING THE PRESIDENT OF THE REPUBLIC OF THE
PHILIPPINES TO SUSPEND OR REDUCE EXCISE TAX RATES ON
PETROLEUM PRODUCTS UNDER REPUBLIC ACT NO. 10963,
OTHERWISE KNOWN AS THE TAX REFORM FOR
ACCELERATION AND INCLUSION (TRAIN) LAW, DURING A
GLOBAL OR NATIONAL ECONOMIC EMERGENCY OR WHEN
PUBLIC INTEREST REQUIRES, AMENDING FOR THIS PURPOSE,
SECTION 148 OF THE NATIONAL INTERNAL REVENUE CODE OF
1997, AS AMENDED

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

1 **SECTION 1. *Short Title.*** – This Act shall be known as the “Excise Tax
2 Flexibility Act of 2026”

3 **SECTION 2. *Declaration of Policy.*** – It is the policy of the State to
4 ensure economic stability in times of national or economic emergency, or when
5 public interest requires, to protect its citizens from the high volatility of
6 petroleum product prices and to mitigate inflationary pressures on the economy.

7 **SECTION 3. *Authority to Suspend or Reduce Excise Tax on Petroleum***
8 ***Products*** – The President of the Republic of the Philippines is hereby
9 authorized to suspend or reduce the excise tax rates imposed on petroleum
10 products during global or national economic emergencies or when public
11 interest requires, upon the recommendation of the Secretary of Finance.

1 **SECTION 4. *Amendment to Section 48 of the National Internal***
2 ***Revenue Code.*** – The National Internal Revenue Code of 1997, as amended, is
3 hereby amended to read as follows:

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

8 XXX

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

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

22 **The President of the Republic of the Philippines may suspend the**
23 **imposition of or reduce the excise tax on petroleum products during global**
24 **or national economic emergencies, or when public interest so requires,**
25 **upon the recommendation of the Secretary of Finance, with due**
26 **consideration to national fiscal stability and its inflationary effects on the**
27 **economy. *Provided*, that such suspension or reduction may be lifted when**
28 **conditions that warrant such suspension or reduction no longer exist.**

29 **SECTION 5. *Reportorial Requirement.*** – The President shall submit to
30 Congress within thirty (30) days after the effectivity of this Act, a detailed
31 report of the effect of the suspension or reduction, as the case may be, on
32 inflation, fiscal stability, and compliance.

33 **SECTION 6. *Safeguards.*** – The Department of Finance and the Bureau
34 of Internal Revenue shall ensure that the suspension or rate reduction shall not
35 be used to the disadvantage of the consumers. They shall impose and monitor
36 the compliance of all companies and businesses engaged in manufacturing,
37 producing, importing, trading, or selling petroleum products.

1 **SECTION 7. *Implementing Rules and Regulations.*** – Within thirty (30)
2 days from the effectivity of this Act, the Department of Finance, in coordination
3 with other stakeholders, shall formulate the necessary rules and regulations for
4 the effective implementation of this Act.

5 **SECTION 8. *Separability Clause.*** – If any provision of this Act is
6 declared invalid or unconstitutional, the provisions not hereby affected shall
7 remain in full force and effect.

8
9 **SECTION 9. *Repealing Clause.*** – All laws, decrees, orders, rules and
10 regulations or parts thereof, inconsistent with or contrary to the provisions of
11 this Act are repealed, amended or modified accordingly.

12
13 **SECTION 10. *Effectivity.*** – This Act shall take effect fifteen (15) days
14 from the date of its publication in the Official Gazette, or a website provided for
15 by law.

Approved,