

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

Twentieth Congress  
First Regular Session

HOUSE BILL NO. 8285



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Introduced by **Representative RAYMOND ADRIAN SALCEDA**

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**AN ACT**  
**AMENDING SECTION 148 OF THE NATIONAL INTERNAL REVENUE CODE OF**  
**1997, AS AMENDED, AUTHORIZING THE PRESIDENT TO SUSPEND OR**  
**REDUCE THE EXCISE TAX ON PETROLEUM PRODUCTS, AND TO CERTIFY**  
**WINDFALL FUEL EXCISE REVENUES FOR THE AUGMENTATION OF**  
**APPROPRIATIONS FOR SECTORAL RELIEF**

**EXPLANATORY NOTE**

This measure is filed in response to President Ferdinand R. Marcos Jr's call for emergency powers to respond to ongoing disruptions in fuel prices as a result of the conflict in the Persian Gulf.

Section 148 of the National Internal Revenue Code, as amended by the TRAIN Law, imposes specific excise taxes on petroleum products at fixed rates. Unlike ad valorem taxes, specific excise taxes do not move with prices. When world oil prices spike, the fixed excise amplifies pump price increases and falls heaviest on transport workers, farmers, fisherfolk, and poor households who spend a disproportionate share of income on fuel and fuel-dependent goods. When oil prices fall sharply below budget assumptions, the government quietly collects more than it programmed — a windfall that simply disappears into the General Fund with no obligation to return any of it to the sectors that bore the burden on the way up.

This bill corrects both asymmetries through two lean mechanisms added to Section 148. The first grants the President authority to suspend or reduce the fuel excise upon a joint certification by the Secretaries of Finance and Energy that prevailing prices are causing material hardship to vulnerable sectors or contributing to broad consumer price inflation. The suspension is implemented by executive order, capped at ninety days per issuance, subject to congressional override, and self-terminating upon expiry. No new agency is created and no permanent rate change is made.

The second mechanism directs the DOF to compute quarterly the difference between actual and programmed fuel excise collections. When a windfall is confirmed, the President may certify it by executive order and direct DBM to augment existing GAA appropriations for

relief programs serving public utility vehicle operators, small farmers, and fisherfolk. The money goes through existing budget channels to existing programs. The DOF issues the guidelines. Congress receives quarterly reports.

The legal basis for the suspension authority rests on the well-established doctrine that Congress may delegate to the President the power to adjust fiscal levies within defined standards and limitations, as affirmed in a line of Supreme Court decisions upholding similar delegations in tariff and tax law. The completeness and sufficient standard tests are satisfied: the law defines the triggering condition, the instrument, the duration, the ceiling, and the override mechanism.

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

~~RAYMOND ABRIAN SALCEDA~~



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*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 "Fuel Excise Stabilization Act."

**SEC. 2.** Amendment to Section 148 of the NIRC. — Section 148 of the National Internal Revenue Code of 1997, as amended, is hereby further amended by adding new subsections (D) and (E), to read as follows:

*"Sec. 148. Manufactured oils and other fuels. —*

*"(A) X X X*

*"(B) X X X*

*"(C). X X X*

***"(D) PRESIDENTIAL AUTHORITY TO SUSPEND OR REDUCE  
THE EXCISE TAX ON PETROLEUM PRODUCTS. —***

**"THE PRESIDENT IS HEREBY AUTHORIZED TO SUSPEND  
OR REDUCE, IN WHOLE OR IN PART, THE EXCISE TAX IMPOSED  
ON PETROLEUM PRODUCTS UNDER THIS SECTION, UPON A  
JOINT WRITTEN CERTIFICATION BY THE SECRETARY OF  
FINANCE AND THE SECRETARY OF ENERGY THAT PREVAILING  
DOMESTIC FUEL PRICES HAVE REACHED LEVELS THAT  
IMPOSE MATERIAL HARDSHIP ON THE TRANSPORT,  
AGRICULTURAL, OR FISHERIES SECTORS, OR THAT**

**MATERIALLY CONTRIBUTE TO BROAD CONSUMER PRICE INFLATION.**

**"THE SUSPENSION OR REDUCTION SHALL BE EFFECTED BY EXECUTIVE ORDER, WHICH SHALL SPECIFY THE PETROLEUM PRODUCTS COVERED, THE EXTENT OF THE SUSPENSION OR REDUCTION, AND ITS PERIOD OF EFFECTIVITY. EACH ORDER SHALL BE EFFECTIVE FOR A PERIOD NOT EXCEEDING NINETY (90) DAYS AND MAY BE RENEWED UPON A NEW JOINT CERTIFICATION. THE PRESIDENT SHALL TRANSMIT THE EXECUTIVE ORDER AND THE SUPPORTING CERTIFICATION TO CONGRESS WITHIN FORTY-EIGHT (48) HOURS OF SIGNING. CONGRESS MAY REVOKE THE ORDER BY CONCURRENT RESOLUTION OF BOTH HOUSES.**

**"UPON THE EXPIRATION OR REVOCATION OF THE ORDER, THE APPLICABLE EXCISE TAX RATES SHALL BE AUTOMATICALLY RESTORED TO THE RATES IN EFFECT PRIOR TO THE SUSPENSION OR REDUCTION.**

***"(E) WINDFALL FUEL EXCISE REVENUES; AUGMENTATION OF APPROPRIATIONS FOR SECTORAL RELIEF. —***

**"THE DOF, THROUGH THE BUREAU OF INTERNAL REVENUE (BIR), SHALL COMPUTE ON A QUARTERLY BASIS THE DIFFERENCE BETWEEN ACTUAL COLLECTIONS FROM THE EXCISE TAX ON PETROLEUM PRODUCTS AND THE PROGRAMMED COLLECTIONS FOR THE SAME PERIOD UNDER THE BUDGET OF EXPENDITURES AND SOURCES OF FINANCING (BESF). THE DOF SHALL REPORT ANY EXCESS OF ACTUAL OVER PROGRAMMED COLLECTIONS TO THE PRESIDENT AND TO CONGRESS WITHIN THIRTY (30) DAYS AFTER THE CLOSE OF EACH QUARTER.**

**"UPON RECEIPT OF SUCH REPORT, THE PRESIDENT MAY, BY EXECUTIVE ORDER, CERTIFY THE WINDFALL AMOUNT AS AVAILABLE AND DIRECT THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM) TO AUGMENT EXISTING APPROPRIATIONS UNDER THE GENERAL APPROPRIATIONS ACT (GAA) FOR PROGRAMS PROVIDING DIRECT RELIEF TO PUBLIC UTILITY VEHICLE OPERATORS, SMALL FISHERFOLK, SMALL FARMERS, AND OTHER FUEL-DEPENDENT VULNERABLE SECTORS. THE CERTIFICATION SHALL CONSTITUTE SUFFICIENT AUTHORITY FOR DBM TO ISSUE THE CORRESPONDING SPECIAL ALLOTMENT RELEASE ORDERS.**

**"THE DOF, IN COORDINATION WITH DBM AND THE RELEVANT IMPLEMENTING AGENCIES, SHALL ISSUE THE GUIDELINES NECESSARY TO CARRY OUT THIS SUBSECTION,**

**INCLUDING THE METHODOLOGY FOR COMPUTING WINDFALL COLLECTIONS, THE CRITERIA FOR IDENTIFYING AUGMENTABLE APPROPRIATIONS ITEMS, AND THE REPORTING REQUIREMENTS FOR IMPLEMENTING AGENCIES. THE DOF SHALL INCLUDE A FULL ACCOUNTING OF WINDFALL CERTIFICATIONS, RELEASES, AND BENEFICIARIES IN ITS QUARTERLY REPORT TO CONGRESS."**

SEC. 3. *Implementing Rules and Regulations.* — The Secretary of Finance shall promulgate the necessary implementing rules and regulations within sixty (60) days from the effectivity of this Act.

SEC. 4. *Separability Clause.* — If any provision of this Act is declared unconstitutional or invalid, the remaining provisions shall remain in full force and effect.

SEC. 5. *Repealing Clause.* — All laws, orders, rules, and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 6. *Effectivity.* — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,