



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



Twentieth Congress
First Regular Session

HOUSE BILL NO. 8292

**Introduced by Representatives Faustino “Bojie” G. Dy III and
Ferdinand Alexander A. Marcos**

EXPLANATORY NOTE

This bill seeks to authorize the President of the Philippines to suspend or reduce the excise taxes on petroleum products during national or global economic emergencies.

The Philippine economy remains highly vulnerable to fluctuations in global petroleum markets. Recent developments in the Middle East have underscored this fragility. Escalating tensions involving the United States of America, Israel, and Iran have heightened concerns over potential disruptions in global oil supply, triggering a surge in crude oil prices. Considering that the Philippines imports nearly ninety percent (90%) of its petroleum supply from the Middle East, geopolitical tensions in the region inevitably result in higher domestic fuel prices, which consequently drive inflation and diminish the purchasing power of Filipino consumers.

Rising fuel prices impose a disproportionate burden on the most vulnerable sectors of society, particularly farmers, fisherfolk, public transport operators, small enterprises, and low-income households whose livelihoods are directly affected by increases in petroleum costs. In times of national emergency or sudden global disruption, the government must be equipped to act swiftly to mitigate the impact of these shocks and safeguard the welfare of the Filipino people.

Section 148 of the National Internal Revenue Code of 1997, as amended, imposes excise taxes on petroleum products without providing sufficient flexibility during extraordinary crises. While excise taxes constitute an important source of government revenue, the rigid application of Section 148 during periods of global economic emergency may exacerbate economic hardship and impede recovery. The absence of a mechanism allowing the temporary suspension or reduction of excise taxes limits the government’s ability to respond effectively to external economic shocks.

This measure grants the President of the Philippines the authority to suspend the imposition of, or reduce the excise taxes on petroleum products when public interest so requires. By providing a targeted and time-bound policy mechanism, the government is able to respond promptly to extraordinary fuel price volatility, ease the burden on consumers, and help stabilize domestic prices during the period of severe economic disruption.

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



FAUSTINO "BOJIE" G. DY III



FERDINAND ALEXANDER A. MARCOS



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

Twentieth Congress
First Regular Session

HOUSE BILL NO. 8292

**Introduced by Representatives Faustino “Bojie” G. Dy III and
Ferdinand Alexander A. Marcos**

1 **AN ACT**

2 **AUTHORIZING THE PRESIDENT OF THE PHILIPPINES TO SUSPEND OR**
3 **REDUCE THE EXCISE TAXES ON PETROLEUM PRODUCTS DURING NATIONAL**
4 **OR GLOBAL ECONOMIC EMERGENCIES, AMENDING FOR THE PURPOSE THE**
5 **NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED**

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

8 SECTION 1. Section 148 of the National Internal Revenue Code (NIRC) of 1997, as
9 amended, is further amended to read as follows:

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

14 “xxx

15 “xxx

16 “Effective January 1, 2020

17 “xxx.

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

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

14 **“THE PRESIDENT OF THE PHILIPPINES MAY, UPON THE**
15 **RECOMMENDATION OF THE SECRETARY OF FINANCE, IN**
16 **COORDINATION WITH THE SECRETARY OF ENERGY, SUSPEND**
17 **THE IMPOSITION OF, OR REDUCE THE EXCISE TAXES ON FUEL**
18 **UNDER THIS SECTION, SUBJECT TO THE FOLLOWING**
19 **CONDITIONS:**

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

1 “(B) A STATE OF NATIONAL EMERGENCY OR CALAMITY HAS
2 BEEN DECLARED BY THE PRESIDENT OF THE PHILIPPINES, AND
3 SUCH CONDITION HAS RESULTED IN EXTRAORDINARY
4 INCREASES IN DOMESTIC PUMP PRICES OF PETROLEUM
5 PRODUCTS AS CERTIFIED BY THE SECRETARY OF ENERGY.

6 “THE SUSPENSION MAY BE APPLIED TO SPECIFIC
7 PETROLEUM PRODUCTS EITHER AS A FULL SUSPENSION OR
8 PARTIAL REDUCTION OF THE APPLICABLE EXCISE TAX RATES
9 UNDER THIS SECTION, AS WARRANTED BY PREVAILING
10 CONDITIONS.

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

24 “WITHIN FIFTEEN (15) DAYS FROM THE ISSUANCE OF THE
25 SUSPENSION ORDER, AND EVERY MONTH THEREAFTER, THE

1 **PRESIDENT OF THE PHILIPPINES SHALL, THROUGH THE**
2 **SECRETARY OF FINANCE, SUBMIT TO CONGRESS A REPORT ON**
3 **THE FOLLOWING:**

4 **“(1) THE FACTUAL BASIS FOR THE SUSPENSION OR**
5 **REDUCTION OF EXCISE TAXES;**

6 **“(2) THE ESTIMATED FOREGONE REVENUES; AND**

7 **“(3) THE EXPECTED IMPACT ON INFLATION, FUEL**
8 **PRICES, AND OTHER ECONOMIC ACTIVITY.”**

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

13 **SEC. 3. *Separability Clause.*** – If any part of this Act be held as unconstitutional, other
14 provisions hereof which are not affected shall continue to be in full force and effect.

15 **SEC. 4. *Repealing Clause.*** – All laws, decrees, rules and regulations inconsistent with
16 the provisions of this Act shall be hereby repealed or modified accordingly.

17 **SEC. 5. *Effectivity.*** - This Act shall take effect fifteen (15) days after its publication in
18 the *Official Gazette* or in a newspaper of general circulation.

19 Approved,