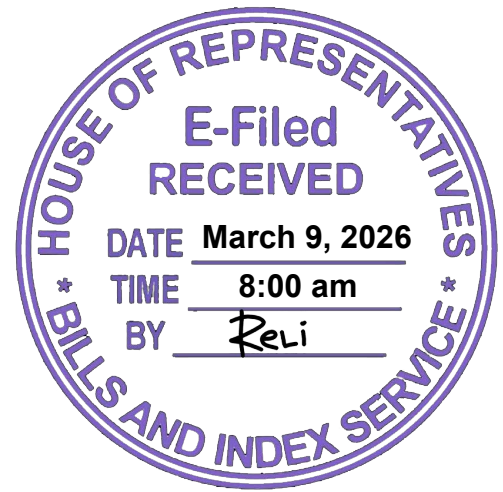




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8338



Introduced by Rep. ROBERT NAZAL

AN ACT
PROVIDING FOR A FISCALLY RESPONSIBLE AND TARGETED AUTOMATIC
SUSPENSION OR REDUCTION OF EXCISE TAXES ON REGULAR GASOLINE,
UNLEADED PREMIUM GASOLINE, AND DIESEL DURING EXTRAORDINARY
GLOBAL OIL PRICE SURGES, AMENDING FOR THE PURPOSE SECTION 148
OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

EXPLANATORY NOTE

Global oil markets remain highly volatile and susceptible to geopolitical tensions, supply disruptions, and speculative pressures. As a net oil-importing country, the Philippines is particularly vulnerable to abrupt increases in crude prices. When global oil prices surge, the effects cascade immediately through the domestic economy: transport fares rise, food production and distribution costs increase, electricity generation becomes more expensive, and overall inflationary pressure intensifies.

These global price dynamics have been magnified by the ongoing US-Israel war with Iran, which began with coordinated military strikes against Iranian targets in late February 2026 and has since escalated into a regional conflict involving retaliatory strikes, widening engagements, and closure or disruption of shipping routes such as the Strait of Hormuz, a critical chokepoint for global oil supply. The conflict has already contributed to sharp increases in global oil prices and logistical disruptions that affect energy markets worldwide.

Under Republic Act No. 10963 or the TRAIN Law, excise taxes on petroleum products are fixed at ₱10.00 per liter for gasoline and ₱6.00 per liter for diesel. These are specific taxes imposed per liter regardless of prevailing global oil price levels. Bagama't mahalaga ang excise tax bilang pinagkukunan ng pondo ng pamahalaan, nananatili itong buo kahit na may matinding pagtaas sa pandaigdigang presyo ng krudo. During extraordinary oil price surges, this fixed structure compounds already elevated pump prices.

Diesel fuel is especially critical. It powers public utility vehicles, cargo trucks, agricultural machinery, and fishing vessels. Ang pagtaas ng presyo ng diesel ay direktang nakaaapekto sa presyo ng pagkain at pamasahe. Gasoline increases likewise burden workers and small enterprises dependent on daily mobility. When global crude prices spike sharply, the combined effect of high base prices and full excise taxes can aggravate inflation and strain livelihoods.

This measure introduces a calibrated, rules-based mechanism for excise tax relief during extraordinary oil price surges. It establishes an automatic trigger based on the average Dubai crude oil price using the Mean of Platts Singapore. When the average reaches or exceeds USD 80 per barrel for at least one month, diesel excise taxes are reduced by fifty percent (50%) and gasoline by thirty percent (30%). When the average reaches or exceeds USD 100 per barrel, diesel excise taxes are fully suspended and gasoline excise taxes reduced by fifty percent (50%).

Hindi ito blanket suspension. Graduated ang tugon upang maging proporsyonal sa tindi ng pagtaas ng presyo ng langis. By prioritizing diesel, the bill recognizes its broader inflationary pass-through effect on food and transport.

The measure also provides targeted relief. During activation periods, public utility vehicles, accredited transport network vehicle services, registered farmers, fisherfolk, and food producers are entitled to full diesel excise relief through refund, credit, or digital subsidy mechanisms. Layunin nitong protektahan ang mga sektor na may direktang epekto sa pang-araw-araw na pangangailangan ng mamamayan.

To preserve fiscal stability, the bill includes a safeguard clause. If the projected national government fiscal deficit exceeds the programmed ceiling under the General Appropriations Act by more than one percent (1%) of gross domestic product, only the partial suspension applies unless Congress authorizes broader relief. This ensures that consumer protection is balanced with fiscal discipline.

The bill provides automatic resumption of full excise rates once Dubai crude prices fall below USD 80 per barrel for two consecutive months, preventing prolonged revenue losses when conditions normalize. A five-year sunset provision mandates congressional review. Transparency is strengthened through required monthly certification of crude prices and quarterly fiscal impact reporting to Congress.

Sa harap ng pabagu-bagong pandaigdigang merkado ng langis, kailangan ng malinaw at awtomatikong mekanismo ng proteksiyon. This measure institutionalizes a predictable and data-driven response to extraordinary oil price surges—timely, targeted, and fiscally responsible.

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



ROBERT NAZAL
Representative

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17 **AN ACT**
18 **PROVIDING FOR A FISCALLY RESPONSIBLE AND TARGETED AUTOMATIC**
19 **SUSPENSION OR REDUCTION OF EXCISE TAXES ON REGULAR GASOLINE,**
20 **UNLEADED PREMIUM GASOLINE, AND DIESEL DURING EXTRAORDINARY**
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22 **OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED**
23

24 *Be it enacted by the Senate and House of Representatives of the Philippines in*
25 *Congress assembled:*
26

27 **Section 1. Title.** – This Act shall be known as the “Fuel Price Stabilization and
28 Targeted Excise Relief Act.”
29

30 **Sec. 2. Declaration of Policy.** – It is the policy of the State to protect consumers,
31 workers, and small enterprises from extraordinary fuel price volatility while maintaining
32 fiscal sustainability and revenue stability. The State recognizes that excise taxation on
33 petroleum products is a significant revenue source; thus, any suspension or reduction
34 mechanism must be predictable, time-bound, data-driven, and fiscally responsible.
35

36 **Sec. 3. Amendment to Section 148 of the National Internal Revenue Code.** –
37 Section 148 of the National Internal Revenue Code of 1997, as amended, is hereby
38 further amended by inserting the following provisions:
39

40 “Section 148. *Manufactured Oils and Other Fuels.* – There shall be collected on
41 refined and manufactured mineral oils and motor fuels, the following excise taxes
42 which shall attach to the goods hereunder enumerated as soon as they are in
43 existence as such:
44

45 x x x

1 **A. AUTOMATIC TRIGGER FOR PARTIAL SUSPENSION. – WHEN THE**
2 **AVERAGE DUBAI CRUDE OIL PRICE, BASED ON THE MEAN OF PLATTS**
3 **SINGAPORE, REACHES OR EXCEEDS EIGHTY UNITED STATES DOLLARS**
4 **(USD 80) PER BARREL FOR AT LEAST ONE (1) CALENDAR MONTH, THE**
5 **EXCISE TAX ON DIESEL FUEL OIL SHALL BE AUTOMATICALLY REDUCED BY**
6 **FIFTY PERCENT (50%), AND THE EXCISE TAX ON REGULAR GASOLINE AND**
7 **UNLEADED PREMIUM GASOLINE SHALL BE REDUCED BY THIRTY PERCENT**
8 **(30%).**

9
10 **B. ESCALATED RELIEF THRESHOLD. – WHEN THE AVERAGE DUBAI**
11 **CRUDE OIL PRICE REACHES OR EXCEEDS ONE HUNDRED UNITED STATES**
12 **DOLLARS (USD 100) PER BARREL FOR AT LEAST ONE (1) CALENDAR MONTH,**
13 **THE EXCISE TAX ON DIESEL FUEL OIL SHALL BE FULLY SUSPENDED, AND**
14 **THE EXCISE TAX ON GASOLINE SHALL BE REDUCED BY FIFTY PERCENT**
15 **(50%).**

16
17 **C. TARGETED SECTORAL RELIEF. – DURING ANY PERIOD OF**
18 **ACTIVATION UNDER THIS SECTION, PUBLIC UTILITY VEHICLES, ACCREDITED**
19 **TRANSPORT NETWORK VEHICLE SERVICES, REGISTERED FARMERS,**
20 **FISHERFOLK, AND FOOD PRODUCERS SHALL BE ENTITLED TO FULL EXCISE**
21 **TAX SUSPENSION ON DIESEL THROUGH A REFUND, CREDIT, OR DIGITAL**
22 **FUEL SUBSIDY MECHANISM ADMINISTERED BY THE DEPARTMENT OF**
23 **ENERGY IN COORDINATION WITH THE DEPARTMENT OF FINANCE.**

24
25 **D. FISCAL SAFEGUARD CLAUSE. – IN THE EVENT THAT THE**
26 **PROJECTED NATIONAL GOVERNMENT FISCAL DEFICIT EXCEEDS THE**
27 **PROGRAMMED DEFICIT CEILING UNDER THE GENERAL APPROPRIATIONS**
28 **ACT BY MORE THAN ONE PERCENT (1%) OF GROSS DOMESTIC PRODUCT,**
29 **AS CERTIFIED BY THE DEPARTMENT OF FINANCE, ONLY THE PARTIAL**
30 **SUSPENSION UNDER PARAGRAPH A SHALL APPLY, UNLESS CONGRESS**
31 **AUTHORIZES EXPANDED RELIEF THROUGH A JOINT RESOLUTION.**

32
33 **E. AUTOMATIC RESUMPTION. – EXCISE TAXES SHALL**
34 **AUTOMATICALLY REVERT TO THEIR FULL STATUTORY RATES ONCE THE**
35 **AVERAGE DUBAI CRUDE OIL PRICE FALLS BELOW EIGHTY UNITED STATES**
36 **DOLLARS (USD 80) PER BARREL FOR TWO (2) CONSECUTIVE CALENDAR**
37 **MONTHS.”**

38
39 **Sec. 4. Sunset Provision. –** The automatic suspension or reduction mechanism
40 provided under this Act shall remain in effect for a period of five (5) years from its
41 effectivity, unless extended by Congress after review of its fiscal and economic impact.
42

1 **Sec. 5. *Transparency and Reporting.*** – The Department of Energy shall publish
2 monthly certifications of Dubai crude price averages. The Department of Finance shall
3 submit a quarterly report to Congress detailing revenue foregone, deficit impact, and
4 distributional effects of the tax suspension or reduction.

5
6 **Sec. 6. *Implementing Rules and Regulations.*** – The Department of Finance, in
7 coordination with the Department of Energy and the Bureau of Internal Revenue, shall
8 promulgate the implementing rules and regulations within thirty (30) days from
9 effectivity.

10
11 **Sec. 7. *Repealing Clause.*** – All laws, decrees, executive issuances, rules and
12 regulations inconsistent with this Act are hereby repealed and/or modified accordingly.

13
14 **Sec. 8. *Separability Clause.*** – If any provision of this Act is declared
15 unconstitutional or invalid, the remaining provisions shall not be affected thereby.

16
17 **Sec. 9. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days after
18 publication in the Official Gazette or in at least two (2) newspapers of general
19 circulation.

20
21 *Approved.*