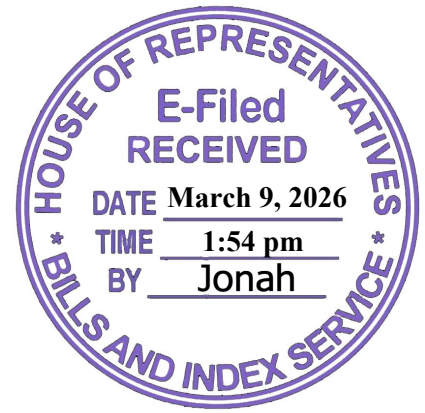


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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City
TWENTIETH CONGRESS
First Regular Session



HOUSE BILL NO. 8359

Introduced by Hon. Julianne "Jam" L. Baronda

EXPLANATORY NOTE

Recent escalation of armed conflict in the Middle East has created uncertainty in global energy markets and caused increases in international crude oil prices. As a country that relies heavily on imported petroleum, the Philippines is particularly vulnerable to these external shocks. Rising fuel prices quickly translate into higher transportation costs, increased electricity generation expenses, and higher prices of basic goods, placing a significant burden on Filipino consumers and businesses.

Under the current framework established by Republic Act No. 10963 (Tax Reform for Acceleration and Inclusion Law), excise taxes on petroleum products are fixed under Section 148 of the National Internal Revenue Code of 1997. While these taxes are an important source of government revenue, the law does not provide sufficient flexibility for the government to respond quickly to extraordinary global events that sharply drive up fuel prices.

This bill seeks to grant the President limited and temporary authority to suspend or reduce excise taxes on petroleum products during periods of extraordinary increases in oil prices caused by global emergencies, such as the ongoing conflict in the Middle East. The authority may only be exercised under clearly defined conditions, including when international crude oil prices exceed a specified threshold or when global events cause significant and sustained increases in domestic fuel prices.

To ensure accountability and fiscal responsibility, the proposed measure includes safeguards such as prior certification from the Department of Finance, a strict six-month limit on the suspension or reduction, and mandatory reporting to Congress. Excise tax rates will automatically revert to their original levels once the authorized period expires.

44 By providing a flexible but carefully regulated policy tool, this measure aims to
45 cushion Filipino consumers and the national economy from the immediate impact of sharp
46 petroleum price increases during global crises.

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48 In view of the foregoing, the approval of this measure is earnestly sought.
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HON. JULIENNE "JAM" L. BARONDA

Representative
Lone District, Iloilo City

88 **Republic of the Philippines**
89 **HOUSE OF REPRESENTATIVES**
90 **Batasan Hills, Quezon City**
91 **TWENTIETH CONGRESS**
92 **First Regular Session**

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95 **HOUSE BILL NO. 8359**
96

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98 Introduced by Hon. Julianne "Jam" L. Baronda
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101 **AN ACT GRANTING THE PRESIDENT LIMITED AUTHORITY TO**
102 **TEMPORARILY SUSPEND OR REDUCE EXCISE TAXES ON PETROLEUM**
103 **PRODUCTS DURING NATIONAL OR GLOBAL EMERGENCIES, AMENDING**
104 **FOR THE PURPOSE SECTION 148 OF THE NATIONAL INTERNAL REVENUE**
105 **CODE OF 1997, AS AMENDED BY REPUBLIC ACT NO. 10963 (TRAIN LAW)**
106

107 *Be it enacted by the Senate and House of Representatives of the Philippines in Congress*
108 *assembled:*
109

110 **SECTION 1.** *Short Title.* This Act shall be known as the “Emergency Petroleum Excise
111 Tax Adjustment Act.”
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113 **SECTION 2.** *Declaration of Policy.* It is hereby declared the policy of the State to protect
114 consumers and ensure economic stability during periods of extraordinary increases in
115 petroleum prices while preserving the fiscal integrity of the government.
116 Towards this end, Congress may authorize limited and conditional adjustments to excise
117 taxes on petroleum products during extraordinary circumstances, subject to clear standards,
118 safeguards, and congressional oversight.
119

120 **SECTION 3.** *Amendment to Section 148 under Chapter V of the National Internal Revenue*
121 *Code, as amended.* Section 148 of the National Internal Revenue Code of 1997, as amended
122 by Republic Act No. 10963, is hereby further amended by inserting a new subsection to
123 read as follows:
124

125 *“SECTION 148-B. Temporary Adjustment of Excise Taxes on Petroleum Products During*
126 *Emergencies.*

127 *(a) Authority. — Consistent with the policy of protecting consumers and maintaining*
128 *economic stability during extraordinary increases in petroleum prices, and*
129 *notwithstanding the excise tax rates imposed under Section 148 of this Code, the President*
130 *of the Philippines, upon the recommendation of the Secretary of Finance and in*
131 *consultation with the Secretaries of Energy and Trade and Industry, may temporarily*

suspend or reduce the excise taxes on petroleum products, subject to the limitations provided in this Section.

(b) *Standards.* — The authority under this Section may be exercised only when any of the following conditions exists:

1. The average international price of crude oil based on the Dubai crude benchmark exceeds Eighty United States Dollars (USD 80) per barrel for three (3) consecutive months;
2. A state of national emergency or calamity affecting energy supply or economic stability has been declared; or
3. Extraordinary global events, including armed conflict or major disruptions in petroleum supply, result in significant and sustained increases in domestic fuel prices.

(c) *Scope and Duration.* — The President may reduce the excise tax imposed under Section 148 to any level, including zero (0), for the petroleum products directly affected, for a period not exceeding six (6) months, unless extended by Congress.

(d) *Fiscal Safeguard.* — Prior to the issuance of an executive order under this Section, the Department of Finance shall certify the fiscal impact of the proposed adjustment and ensure consistency with the national government's fiscal program, unless otherwise authorized by Congress.

(e) *Congressional Oversight.* — Within fifteen (15) days from the issuance of the executive order, the President shall submit a report to Congress stating the basis for the adjustment, the petroleum products covered, the revised tax rates, and the estimated revenue impact. Congress may terminate or modify the adjustment through a joint resolution.

(f) *Reversion of Rates.* — Upon expiration of the authorized period, the excise tax rates under Section 148 of this Code, as amended by Republic Act No. 10963, shall automatically revert to their original levels.”

SECTION 4. Implementing Rules and Regulations. Within thirty (30) days from the effectivity of this Act, the Department of Finance, the Bureau of Internal Revenue, and the Department of Energy shall promulgate the rules and regulations necessary for the implementation of this Act.

SECTION 5. Separability Clause. If any provision of this Act is declared unconstitutional or invalid, the remaining provisions shall not be affected thereby.

SECTION 6. Repealing Clause. All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 7. Effectivity. This Act shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general circulation.

Approved,