

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. **8391**



Introduced by **Rep. ANGELO MARCOS BARBA**
2nd District, Ilocos Norte

EXPLANATORY NOTE

Global geopolitical tensions, particularly the ongoing armed conflict in the Middle East, have caused significant volatility in the international oil market. The Middle East remains a critical hub for global crude oil production and supply routes. Disruptions in this region often lead to sharp increases in global oil prices, which directly affect the cost of petroleum products imported by the Philippines.

As a country that relies heavily on imported oil, the Philippines is especially vulnerable to sudden price shocks in the global fuel market. Rising fuel prices inevitably lead to higher transportation costs, increased prices of basic goods and services, and inflationary pressures that disproportionately burden Filipino households, particularly low-income families. These effects also ripple through key sectors such as agriculture, fisheries, logistics, and public transportation.

Under the current framework of the National Internal Revenue Code of 1997, as amended by Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion (TRAIN) Law, excise taxes are imposed on various petroleum products. While these taxes serve as an important source of government revenue for infrastructure and social services, they may also contribute to higher pump prices during periods of extraordinary increases in global oil costs.

In times of severe international supply disruptions and extraordinary price spikes, the government must be equipped with flexible policy tools that allow it to respond swiftly in order to mitigate the adverse economic impact on the Filipino people.

This proposed measure seeks to amend the relevant provisions of the National Internal Revenue Code to authorize the President of the Philippines, upon the recommendation of the Secretaries of Finance and Energy, to temporarily suspend the imposition of excise tax on manufactured oils and other fuel products during periods of abnormal and significant increases in

global oil prices arising from geopolitical conflicts or other extraordinary circumstances.

The temporary suspension of excise taxes will provide immediate relief to consumers, ease inflationary pressures, stabilize transportation and logistics costs, and protect critical sectors of the economy. At the same time, the measure ensures that such authority will be exercised only under clearly defined conditions and for a limited period to safeguard fiscal responsibility.

By granting the Executive branch the flexibility to respond quickly to global fuel price shocks, this measure aims to protect the purchasing power of Filipino consumers, support economic stability, and cushion the country from the adverse effects of external geopolitical crises.

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



ANGELO MARCOS BARBA

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AN ACT
AMENDING SECTION 148 OF REPUBLIC ACT NO. 8424,
OTHERWISE KNOWN AS “THE NATIONAL INTERNAL REVENUE
CODE OF 1997,” AS AMENDED, FOR THE PURPOSE OF
AUTHORIZING THE PRESIDENT TO TEMPORARILY SUSPEND
THE IMPOSITION OF THE EXCISE TAX ON MANUFACTURED
OILS AND OTHER FUELS

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

SECTION 1. *Short Title.* - This Act shall be known as the “**Kapit-Bisig sa Bagong Pilipinas Act.**”

SECTION 2. *Declaration of Policy.* - It is hereby declared the policy of the State:

1. To protect the Filipino people from economic and financial burdens unfortunately brought about by crises and emergencies, both domestic and international, through measures involving, among others, the taxation of manufactured oils and other fuels;
2. To provide as much equitable relief during such times of turbulence to a greater number of taxpayers in order to improve levels of disposable income and increase economic activity, thereby promoting sustainable economic resiliency, and even growth; and
3. To ensure that the government maintains the ability to provide for the needs of its subjects, through the provision of better infrastructure, health, education, and social protection.

SECTION 3. Section 148 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:

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

EFFECTIVE JANUARY 1, 2018

XXX

EFFECTIVE JANUARY 1, 2019

XXX

EFFECTIVE JANUARY 1, 2020

XXX

~~[For the period covering 2018 to 2020, the scheduled increase in the excise tax on fuel as imposed in this Section shall be suspended when the average Dubai crude oil based on Mean of Platts Singapore (MOPS) for three (3) months prior to the scheduled increase of the month reaches or exceeds Eighty dollars (USD80) per barrel.]~~

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

THE PRESIDENT, UPON THE RECOMMENDATION OF THE DEPARTMENT OF FINANCE (DOF), AND IN CONSULTATION WITH THE DEPARTMENT OF ENERGY (DOE), DEPARTMENT OF TRADE AND INDUSTRY (DTI), AND DEVELOPMENT BUDGET COORDINATION COMMITTEE (DBCC), MAY, BY VIRTUE OF AN EXECUTIVE ORDER, SUSPEND THE IMPOSITION AS THE OF THE EXCISE TAX ON MANUFACTURED OILS AND OTHER FUELS WHEN THE AVERAGE PRICE OF DUBAI CRUDE OIL FOR ONE (1)

MONTH BASED ON MEAN OF PLATTS SINGAPORE (MOPS) REACHES OR EXCEEDS EIGHTY DOLLARS (USD80) PER BARREL AS CERTIFIED BY THE DOE: *PROVIDED*, THAT, SHOULD THE ABOVECITED CONDITION CONTINUOUSLY CEASE TO OCCUR FOR ONE (1) WEEK, AS CERTIFIED BY THE DOE, THE SUSPENSION SHALL NO LONGER HAVE VALIDITY AND EFFECT, AND A RETURN TO THE IMPOSITION OF THE EXCISE TAX SHALL BE EFFECTED AS A MATTER OF COURSE: *PROVIDED*, *FURTHER*, THAT THE EXECUTIVE ORDER ISSUED FOR THE PURPOSE SHALL ONLY BE VALID AND EFFECTIVE FOR ONE (1) YEAR UNLESS OTHERWISE CONGRESS GRANTS EXTENSION VIA JOINT RESOLUTION: *PROVIDED*, *FINALLY*, THAT REVERSION TO THE IMPOSITION OF THE EXCISE TAX ON MANUFACTURED OILS AND OTHER FUELS SHALL BE EFFECTED AS A MATTER OF COURSE UPON THE EXPIRATION OF THE PERIOD OF VALIDITY OF THE EXECUTIVE ORDER OR ITS EXTENSION VIA JOINT RESOLUTION.

SECTION 4. *Implementing Rules and Regulations.* - Within thirty (30) days from the approval of this Act, the Secretary of Finance shall, upon consultation with the Secretaries of the Department of Energy (DOE) and the Department of Trade and Industry (DTI), promulgate the necessary Rules and Regulations for its effective implementation.

SECTION 5. *Separability Clause.* - If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in full force and effect.

SECTION 6. *Repealing Clause.* - All laws, executive orders, rules, and regulations inconsistent with or contrary to the provisions of this Act are hereby repealed or modified accordingly.

SECTION 7. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its publication in a newspaper of general circulation in the Philippines.

Approved,