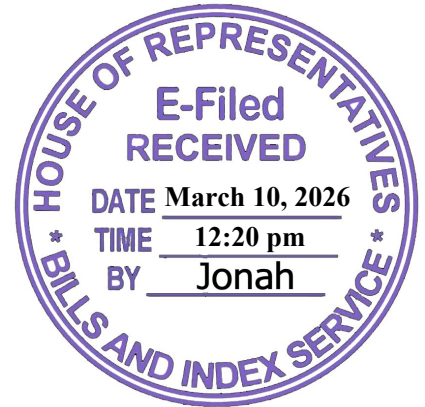


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session



HOUSE BILL NO. 8408

Introduced by
HON. ATTY. GERVILLE "JINKY BITRICS" R. LUISTRO

EXPLANATORY NOTE

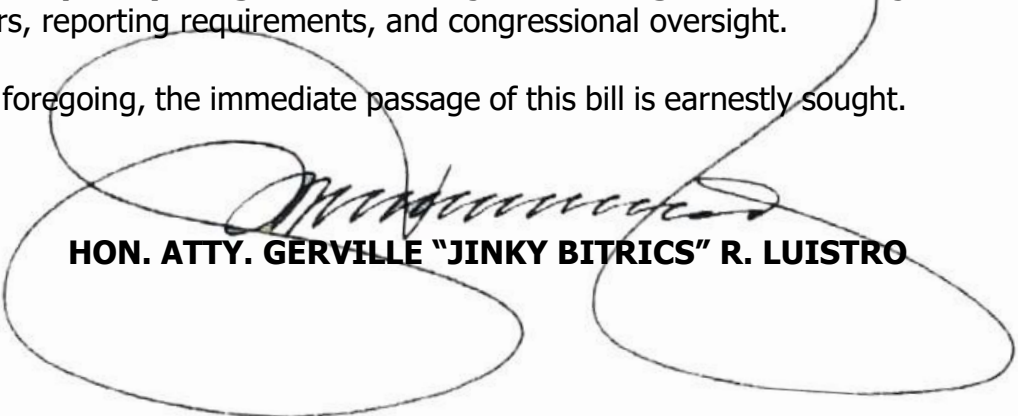
Petroleum products remain essential to the Philippine economy, affecting transportation, food production, electricity generation, and the overall cost of goods and services. However, global oil price volatility, driven by geopolitical tensions, supply disruptions, and international market fluctuations, can lead to sudden and significant increases in domestic fuel prices.

When petroleum prices rise sharply, the burden is immediately felt by Filipino consumers, particularly public transport operators, farmers, fisherfolk, and low-income households. The increase also drives inflation, raising the prices of basic commodities and weakening purchasing power.

Under the **Tax Reform for Acceleration and Inclusion (TRAIN) Law**, excise taxes are imposed on petroleum products to support government revenues and public services. While these taxes serve an important fiscal purpose, they may aggravate the financial burden on the public during periods of extraordinary fuel price spikes.

It is therefore necessary to provide the President with **limited and clearly defined emergency powers** to temporarily suspend the collection of excise taxes on petroleum products when global oil prices reach extraordinary levels and threaten economic stability. Such authority will enable the government to respond swiftly to global energy crises and protect Filipino consumers from severe fuel price shocks. This measure ensures that the suspension is **temporary, targeted, and subject to safeguards**, including defined triggers, reporting requirements, and congressional oversight.

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


HON. ATTY. GERVILLE "JINKY BITRICS" R. LUISTRO

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HOUSE BILL NO. 8408

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AN ACT
AUTHORIZING THE PRESIDENT OF THE PHILIPPINES TO EXERCISE
EMERGENCY POWERS TO TEMPORARILY SUSPEND THE COLLECTION
OF EXCISE TAXES ON PETROLEUM PRODUCTS IN TIMES OF
EXTRAORDINARY INCREASE IN GLOBAL OIL PRICES, IN ORDER TO
MITIGATE THE IMPACT OF RISING FUEL COSTS ON THE NATIONAL
ECONOMY AND THE FILIPINO PEOPLE

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

3
4 **SECTION 1. Short Title.** - This Act shall be known as the "**Petroleum**
5 **Excise Tax Emergency Suspension Act**"

6
7 **SECTION 2. Declaration of Policy.** - It is the policy of the State to
8 protect the Filipino people from the adverse economic effects of extraordinary
9 increases in global petroleum prices. Toward this end, the State shall ensure
10 that the government has the necessary tools to mitigate fuel price shocks and
11 maintain economic stability.

12
13 **SECTION 3. Grant of Emergency Powers.** - In the event of an
14 extraordinary increase in global crude oil prices or other circumstances resulting
15 in severe petroleum price spikes in the domestic market, the President of the
16 Philippines is hereby authorized to temporarily suspend the collection of excise
17 taxes on petroleum products imposed under the National Internal Revenue
18 Code of 1997, as amended, including those introduced under Republic Act No.
19 10963, otherwise known as the TRAIN Law.
20

1 **SECTION 4. Conditions for the Exercise of Emergency Powers. -**
2 The President may exercise the authority granted under this Act upon
3 determination that:

- 4 1. The average global crude oil price has reached levels that
5 significantly affect domestic fuel prices; or
6 2. Petroleum price increases have caused or are likely to cause
7 severe inflationary pressure or economic disruption; and
8 3. Immediate government intervention is necessary to protect the
9 welfare of consumers and the national economy.

10

11 **SECTION 5. Duration of suspension -** The suspension of excise taxes
12 authorized under this Act shall:

- 13 1. Not exceed **six (6) months** at any given time; and
14 2. Remain subject to extension or termination by Congress through
15 a joint resolution.

16

17 **SECTION 6. Coverage. -** The suspension may apply to petroleum
18 products including, but not limited to:

- 19 1. Gasoline
20 2. Diesel
21 3. Kerosene
22 4. Liquefied Petroleum Gas (LPG)
23 5. Other petroleum products subject to excise tax under existing
24 laws.

25

26 **SECTION 7. Report to Congress -** Within thirty (30) days from the
27 exercise of the authority granted under this Act, the President shall submit a
28 report to Congress detailing:

- 29 1. The basis for the suspension of excise taxes;
30 2. The expected economic impact; and
31 3. The estimated revenue implications.

32

33 **SECTION 8. Implementing Rules and Regulations. -** Within fifteen
34 (15) days from the effectivity of this Act, the **Department of Finance (DOF)**,
35 in coordination with the **Bureau of Internal Revenue (BIR)**, **Department**
36 **of Energy (DOE)**, and other relevant agencies, shall promulgate the
37 necessary rules and regulations for the implementation of this Act.

38

39 **SECTION 9. Separability Clause. -** If any provision of this Act is
40 declared unconstitutional, the remaining provisions shall remain in full force
41 and effect.

42

43 **SECTION 10. Repealing Clause. -** All laws, decrees, orders, rules,
44 and regulations inconsistent with this Act are hereby repealed or modified
45 accordingly.

46

1 **SECTION 11. Effectivity.** - This Act shall take effect fifteen (15) days
2 after its publication in the Official Gazette or in a newspaper of general
3 circulation.

4
5 Approved,