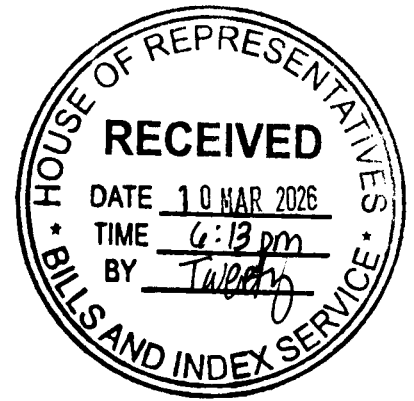


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8419



Introduced by Representative Loreto S. Amante

**AN ACT
ESTABLISHING AN AUTOMATIC PRICE-TRIGGERED EXCISE TAX RELIEF
MECHANISM FOR PETROLEUM PRODUCTS, AMENDING FOR THE
PURPOSE SECTION 148 OF THE NATIONAL INTERNAL REVENUE CODE OF
1997, AS AMENDED, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

On 28 February 2026, Israel, together with the United States, reportedly carried out airstrikes against Iran, described in initial reports as a “pre-emptive attack.” This development has triggered a serious regional crisis in the Middle East.

History has repeatedly shown that geopolitical tensions and armed conflicts in major oil-producing regions quickly send shockwaves through global energy markets, particularly affecting crude oil prices.

Although the Philippines is geographically distant from the conflict, the country remains highly vulnerable to global oil price fluctuations because it relies heavily on imported petroleum. Any significant increase in world crude prices rapidly translates into higher domestic fuel costs. Fuel is a critical input in transportation, food distribution, electricity generation, and other essential economic activities. Consequently, sudden oil price shocks immediately place pressure on household budgets, business costs, and overall inflation.

In light of these realities, there is a compelling need to strengthen the country’s legal and policy mechanisms to shield Filipino consumers from extraordinary global oil price spikes.

This measure introduces two complementary safeguards.

First, it establishes an immediate, time-bound crisis-response mechanism through an amendatory law that will temporarily suspend excise tax rates on petroleum products during periods of extraordinary oil price shocks. The relief will operate only for a

defined and limited period while such extraordinary conditions persist. To ensure fiscal discipline and accountability, the measure incorporates a clear sunset clause, regular public reporting, and transparency safeguards to ensure that tax relief translates, as far as practicable, into actual pump price relief for consumers.

Second, the measure establishes a modernized automatic trigger mechanism, similar in principle to the system introduced under the Tax Reform for Acceleration and Inclusion (TRAIN) Law, but improved to be more responsive and rules-based. Under this system, once global crude oil prices reach specified threshold, the law itself automatically activates temporary excise tax relief. The trigger mechanism is objective, transparent, and anchored on measurable global price benchmarks, ensuring a predictable and timely government response to oil price shocks.

At the same time, the measure provides clear fiscal guardrails. The activation of tax relief remains subject to periodic review and recommendation by the appropriate government agencies in order to safeguard fiscal stability and prevent open-ended exposure of public revenues.

Ultimately, this proposed legislation seeks to strike a careful balance—protecting Filipino consumers from sudden global oil price spikes while maintaining responsible fiscal management. By establishing both a crisis-response mechanism and a rules-based automatic trigger system, the measure ensures that the government can respond swiftly, transparently, and responsibly whenever global oil shocks threaten the economic welfare of the Filipino people.

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



LORETO S. AMANTE

Representative

Third District, Laguna

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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PURPOSE SECTION 148 OF THE NATIONAL INTERNAL REVENUE CODE OF
1997, AS AMENDED, AND FOR OTHER PURPOSES

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

SECTION 1. Short Title. — This Act shall be known as the “Fuel Excise Tax Relief and Automatic Price-Trigger Act of 2026.”

SEC. 2. Declaration of Policy. - It is the policy of the State to ensure that excise taxation of petroleum products remains responsive to extraordinary global crude price spikes through a predictable, rules-based, and transparent mechanism, while maintaining fiscal responsibility, protecting consumers from excessive price shocks, and preserving the integrity of tax administration.

SEC. 3. Definition of Terms. - For purposes of this Act, the following terms shall mean:

(a) **Dubai Crude MOPS Daily Price** refers to the Dubai crude oil price, expressed in United States Dollars (USD) per barrel, as published under the Mean of Platts Singapore (MOPS) for a given publication day.

(b) **Trigger Event** refers to the occurrence when the Dubai Crude MOPS Daily Price equals or exceeds Eighty United States Dollars (USD 80.00) per barrel on any publication day.

(c) **Covered Petroleum Products** refer to all petroleum products enumerated and taxed under Section 148 of the National Internal Revenue Code of 1997, as amended (NIRC), whether manufactured or produced in the Philippines for domestic

sale or consumption or imported, except to the extent that Section 148 expressly provides a zero rate or exemption for specified uses.

(d) **Base Excise Tax Rate** refers to the excise tax rate otherwise applicable under Section 148 of the NIRC, absent the relief mechanism created by this Act.

(e) **Relief Period** refers to the period beginning upon the Effectivity Timestamp (as defined in Section 148-B) and ending upon the Reversion Timestamp (as defined in Section 148-B), during which the excise tax due under Section 148 on Covered Petroleum Products shall be zero (₱0.00).

SEC. 4. Amendment to Section 148 of the National Internal Revenue Code of 1997, as Amended. - Section 148 of the NIRC, as amended, is hereby further amended by inserting a new section to read as follows:

“SEC. 148-B. AUTOMATIC PRICE-TRIGGERED EXCISE TAX RELIEF FOR PETROLEUM PRODUCTS UNDER THIS SECTION. –

(a) **Coverage; Uniform Trigger.** – Notwithstanding the Base Excise Tax Rates under this Section, the relief under this Section shall apply by operation of law to all Covered Petroleum Products under this Section, whether manufactured or produced in the Philippines for domestic sale or consumption or imported, except where this Section expressly provides a zero rate or exemption for specified uses.

(b) **Automatic Suspension Upon Trigger Event; Rate.** – Upon the occurrence of a Trigger Event, the excise tax due under this Section on Covered Petroleum Products shall be zero (₱0.00) during the Relief Period.

(c) **Effectivity Timestamp (Intramonth).** – The excise tax rate of zero (₱0.00) under subsection (b) shall take effect beginning 12:01 a.m., Philippine Standard Time, on the first (1st) calendar day immediately following the MOPS publication day on which the Trigger Event occurred (the “Effectivity Timestamp”), and shall apply to:

(1) domestic removals and releases from refineries, depots, and other storage facilities; and

(2) importations entered for consumption occurring on or after the Effectivity Timestamp.

(d) **Reversion Timestamp.** – The excise tax due under this Section shall automatically revert to the Base Excise Tax Rates beginning 12:01 a.m., Philippine Standard Time, on the first (1st) calendar day immediately following the fifth (5th) consecutive MOPS publication day on which the Dubai Crude MOPS Daily Price is below Eighty United States Dollars (USD 80.00) per barrel (the “Reversion Timestamp”), and shall apply to removals, releases, and importations entered for consumption occurring on or after the Reversion Timestamp.

(e) **Ministerial Certification; No Discretion.** — The certification, publication, and implementing revenue issuance required under this Act shall be ministerial in character and shall not suspend, delay, or otherwise alter the automatic operation of subsections (b) to (d) when the price condition is met.

(f) **Preservation of Express Zero-Ratings and Exemptions.** — Nothing in this Section shall be construed to remove, narrow, expand, or otherwise modify any express zero rate or exemption already provided under this Section for specified uses.

(g) **Product Classification; Strict Statutory Coverage.** — Product classification and coverage under Section 148 shall be determined strictly in accordance with the text of Section 148. No excise tax shall be imposed by implication upon any article not clearly, expressly, and unambiguously covered by Section 148.”

SEC. 5. Time-Bound Authority; Sunset. - This Act shall remain in force for three (3) years from its effectivity. Upon expiration, the automatic relief mechanism created by this Act shall cease, and the excise taxes on petroleum products shall be governed solely by the NIRC, as amended, unless extended by subsequent law.

SEC. 6. Certification and Publication.

(a) **Trigger Certification.** — Within twenty-four (24) hours from the occurrence of a Trigger Event, the Secretary of Finance shall issue a certification stating: (1) the MOPS publication day when the Trigger Event occurred; and (2) the corresponding Effectivity Timestamp under Section 148-B.

(b) **Reversion Certification.** — Within twenty-four (24) hours from the determination that the condition for reversion under Section 148-B(d) has been met, the Secretary of Finance shall issue a certification stating:

- (1) the dates of the five (5) consecutive MOPS publication days below the threshold; and
- (2) the corresponding Reversion Timestamp.

(c) **Publication.** — The certifications under this Section shall be published on the official websites of the DOF and BIR immediately upon issuance, and within three (3) days in the Official Gazette or in a newspaper of general circulation.

(d) **BIR Issuance.** — Within twenty-four (24) hours from issuance of the applicable DOF certification, the Commissioner of Internal Revenue shall issue the appropriate revenue issuance stating the applicable excise tax rate and the administrative procedures for implementation.

SEC. 7. Transparency and Pass-Through Reporting. - During any Relief Period, refiners, importers, and major fuel distributors shall submit a weekly sworn report to the DOF, BIR, and DOE containing, at minimum:

- (a) volumes removed, released, or imported by Section 148 product classification;
- (b) average landed cost or refinery transfer price;
- (c) excise tax rate applied and excise tax paid;
- (d) average wholesale selling prices and indicative retail price ranges; and
- (e) beginning and ending inventories.

The DOE shall publish consolidated summaries showing the estimated pump price impact attributable to excise tax relief: **Provided, That** such publication shall not disclose trade secrets, confidential business information, or proprietary pricing formulas.

SEC. 8. Fiscal Guardrails. - The following fiscal guardrails shall be observed:

(a) **Quarterly Indicative Cap on Revenue Foregone.** — The Development Budget Coordination Committee (DBCC) shall set a quarterly indicative cap on revenue foregone attributable to the relief mechanism under this Act, to be published within sixty (60) days from effectivity and updated quarterly during the life of this Act.

For this purpose, “revenue foregone” shall refer to the estimated difference between:

- (1) the excise tax that would have been due at the Base Excise Tax Rates under Section 148 of the NIRC for removals, releases, and importations entered for consumption during the Relief Period; and
- (2) the excise tax actually due and paid under this Act for the same volumes and period.

(b) **Transparency of Methodology.** — The DBCC, in coordination with the Department of Finance (DOF), the Bureau of Internal Revenue (BIR), the Bureau of Customs (BOC), and the Department of Energy (DOE), shall publish a brief methodology note describing the principal assumptions and data sources used to compute the indicative cap and the revenue foregone estimates, including the treatment of timing differences in removals, releases, and importations entered for consumption.

(c) **Breach Response Report.** — If DBCC-certified projections indicate that the quarterly indicative cap will likely be exceeded for two (2) consecutive months, the DOF shall submit to the Senate Committee on Ways and Means and the House Committee on Ways and Means, within fifteen (15) days, a public report recommending mitigating fiscal measures.

Nothing in this subsection, nor any recommendation or report made pursuant hereto, shall suspend, delay, or otherwise alter the automatic operation of Section 148-B of the NIRC, as inserted by this Act, absent an amendatory law enacted by Congress.

(d) **Annual Review and Report to Congress.** — The DOF shall submit an annual report to Congress, within ninety (90) days from the close of each calendar year during the effectivity of this Act, covering:

- (1) the dates and duration of each Trigger Event, Relief Period, and Reversion Timestamp implemented under Section 148-B;
- (2) estimated revenue foregone, disaggregated by product classification under Section 148 of the NIRC and by importation versus domestic removals/releases;
- (3) observed price pass-through indicators based on DOE monitoring and covered-entity submissions, including indicative pump price ranges during Relief Periods;
- (4) compliance rates and material findings from data validation and audits; and
- (5) enforcement actions taken, including assessments, administrative penalties for reporting violations, and referrals for possible criminal or civil action.

(e) **No Impairment of Tax Administration.** — Nothing in this Section shall be construed to limit the authority of the BIR and BOC under the NIRC and other applicable laws to assess, verify, audit, and collect excise taxes and other charges lawfully due, or to enforce compliance with reporting and documentation requirements.

SEC. 9. Enforcement; Penalties; Coordination.

(a) **Tax Enforcement Preserved.** — Nothing in this Act shall be construed to limit the authority of the Bureau of Internal Revenue to assess, verify, audit, and collect excise taxes due under the NIRC.

(b) **Administrative Penalties for Reporting Violations.** — Any covered entity that:

- (1) fails to submit the sworn reports required under Section 7; or
- (2) submits reports containing material misstatements, shall, after due notice and opportunity to be heard, be subject to the following administrative penalties, without prejudice to liability under the NIRC and other applicable laws:

- a) First violation — Fine of ₱1,000,000.00;
- b) Second violation — Fine of ₱3,000,000.00; and
- c) Third violation — Fine of ₱5,000,000.00 and referral for possible criminal or civil action.

(c) **Inter-Agency Data Validation.** — The DOF, BIR, and DOE shall establish a data-sharing and validation protocol to reconcile volumes, removals and releases, import entries, and retail monitoring during any Relief Period.

SEC. 10. Implementing Rules and Regulations. - Within thirty (30) days from effectivity, the DOF and BIR, in coordination with the DOE, shall promulgate the necessary rules and regulations for the effective implementation of this Act: **Provided, That** such rules shall be confined to administration and enforcement and shall not suspend, delay, or otherwise alter the automatic operation of Section 148-B.

SEC. 11. Separability Clause. - If any provision of this Act is declared unconstitutional or invalid, the remainder not otherwise affected shall remain in full force and effect.

SEC. 12. Repealing Clause. - All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with this Act are hereby repealed, amended, or modified accordingly.

SEC. 13. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the **Official Gazette** or in a newspaper of general circulation.