

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **8561**



Introduced by **REP. NATHANIEL “Atty. Nat” M. ODUCCADO**

EXPLANATORY NOTE

The State is mandated to protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature. Currently, this mandate is under severe pressure from the country's mounting plastic crisis. The Philippines generates an estimated 2.7 million tons of plastic waste annually. But a staggering 91% or 2.46 million remains uncollected or improperly managed. In urban centers like Metro Manila, the consumption of single-use plastics has reached critical levels with over 164 million plastic bags discarded daily. This high rate of disposal has led the Philippines to rank as the third largest contributor to global ocean plastic pollution, with plastic materials now comprising 36% of all marine debris. Beyond the environmental degradation, the socio-economic cost is profound - poor waste handling drains approximately P400 billion from the national economy every year.

To address these systemic challenges, this Act introduces a strategic excise tax designed to discourage the use of harmful primary and secondary packaging, such as "ice," "labo," or "sando" bags. International precedents support this fiscal approach; for instance, Ireland achieved a 90% reduction in plastic bag usage through similar taxation, proving that market-based interventions can effectively shift consumer behavior toward sustainable alternatives. By amending the National Internal Revenue Code of 1997 (NIRC) to include Section 150-C, this measure imposes an excise tax of Seventy Pesos (P70.00) per kilogram on single-use plastic bags removed from production or customs custody after effectivity hereof. To ensure the tax remains a potent deterrent against inflation and changing market conditions, the rate shall automatically increase by 4% annually beginning January 1, 2027.

The implementation of this tax serves a dual purpose: environmental protection and resource mobilization. Under the amended Section 288 of the NIRC, all incremental revenues generated from this tax are strictly earmarked for the Department of Environment and Natural Resources (DENR). These funds are specifically allocated to support the implementation of Republic Act No. 9003, as amended by RA 11898 (Extended Producer Responsibility Act), at the municipal level. By channeling these funds into waste management infrastructure, recycling programs, and EPR enforcement, this Act empowers local governments, promotes a circular economy, ensuring that the cost of environmental restoration is shared by those who introduce plastic waste into the ecosystem while securing a cleaner future for all Filipinos.

¹Climate Change Commission. (2024). Combating Plastic Pollution to Secure Our Planet's Future. Available at <https://climate.gov.ph/news/870>.

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

A handwritten signature in black ink, appearing to read 'N. Oducado', with a small blue circular stamp or mark near the end of the signature.

REP. NATHANIEL “ATTY. NAT” M. ODUCADO

1Tahanan Party List

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HOUSE BILL NO. **8561**

Introduced by **REP. NATHANIEL “ATTY. NAT” M. ODUCAO**

**AN ACT IMPOSING EXCISE TAX ON PLASTIC BAGS, AMENDING FOR THE
PURPOSE SECTION 288 AND ADDING A NEW SECTION 150-C IN THE
NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED**

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 “*Single Use Plastic (SUP) Taxation Act.*”

SEC. 2. *Declaration of Policy.* – It is hereby declared as the policy of the State to protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature through the proper exercise of its power of taxation.

SEC. 3. A new section designated as Section 150-C of the National Internal Revenue Code of 1997, as amended, is hereby added to read as follows:

“Sec. 150. Non-Essential Goods. - xxx

SEC. 150-C. SINGLE USE PLASTIC BAGS. –

(A) RATE AND BASE OF TAX – THERE SHALL BE LEVIED, ASSESSED, AND COLLECTED AN EXCISE TAX IN THE AMOUNT OF SEVENTY PESOS (PHP 70.00) FOR EVERY KILOGRAM OF SINGLE-USE PLASTIC BAGS REMOVED FROM THE PLACE OF PRODUCTION OR RELEASED FROM THE CUSTODY OF THE BUREAU OF CUSTOMS (BOC).

THE RATE OF TAX IMPOSED UNDER THIS SUBSECTION SHALL BE INCREASED BY FOUR PERCENT (4%) EVERY YEAR, EFFECTIVE ON JANUARY 1, 2027, THROUGH REVENUE REGULATIONS ISSUED BY THE SECRETARY OF FINANCE.

“SINGLE-USE PLASTIC BAGS” SHALL REFER TO SECONDARY LEVEL PLASTICS MADE OF SYNTHETIC OR SEMISYNTHETIC ORGANIC POLYMER

SUCH AS “ICE”, “LABO”, OR “SANDO” BAGS, WITH OR WITHOUT HANDLE, USED AS PACKAGING FOR GOODS OR PRODUCTS.

(B) FILING OF RETURN AND PAYMENT OF EXCISE TAX ON PLASTIC BAGS. – THE PROVISIONS OF SECTIONS 130 AND 131 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, ON THE FILING OF RETURN AND PAYMENT OF EXCISE TAX SHALL APPLY.

(C) NON-PAYMENT OF EXCISE TAX – NON-PAYMENT OF THE EXCISE TAX IMPOSED UNDER THIS ACT SHALL BE SUBJECT TO THE PERTINENT PROVISIONS UNDER TITLES VIII AND X OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, REGARDING COLLECTION OF UNPAID TAXES AND IMPOSITION OF CORRESPONDING FINES, SURCHARGES, PENALTIES, AND IMPRISONMENT OR CLOSURE OF BUSINESS.”

SEC. 4. Section 288 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:

“SEC. 288. Disposition of Incremental **AND OTHER** Revenues. –

(A) xxx

(B) xxx

(C) xxx

(D) xxx

(E) xxx

(F) xxx

(G) xxx

(H) DISPOSITION OF INCREMENTAL REVENUES FROM THE EXCISE TAX ON SINGLE-USE PLASTIC BAGS SHALL BE ALLOCATED TO PROGRAMS OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES FOR THE IMPLEMENTATION OF REPUBLIC ACT NO. 11898, OTHERWISE KNOWN AS THE “EXTENDED PRODUCER RESPONSIBILITY ACT OF 2022” IN MUNICIPALITIES”

SEC. 5. *Implementing Rules and Regulations.* – Within sixty (60) days from the effectivity of this Act, the Secretary of Finance shall, upon the recommendation of the Commissioners of the Bureau of Internal Revenue and the Bureau of Customs and, in consultation with the Department of Environment and Natural Resources, issue and promulgate rules and regulations for the effective implementation of this Act.

SEC. 6. *Repealing Clause.* – All laws, decrees, executive orders, and regulations, and other issuances, or parts thereof, which are contrary to or inconsistent with this Act, are hereby repealed, amended, or otherwise modified accordingly.

SEC. 7. *Separability Clause.* – If any provision of this Act is declared invalid or unconstitutional, the remaining provisions hereof which area not affected shall remain in full force and effect.

SEC. 8. *Effectivity.* – This Act shall take effect fifteen (15) days following its publication in the *Official Gazette* or in at least one (1) newspaper of general circulation.

Approved,