



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

TWENTIETH CONGRESS
First Regular Session



HOUSE BILL NO. 8660

Introduced by
REPRESENTATIVE DAVID "JAY-JAY" C. SUAREZ

AN ACT
PROHIBITING AND SUSPENDING THE IMPOSITION AND
IMPLEMENTATION OF ANY NEW NATIONAL TAX, AND ANY INCREASE IN
ANY EXISTING NATIONAL TAX, AND IMPOSING A TEMPORARY
MORATORIUM ON ANY NEW LOCAL TAX AND ANY INCREASE IN LOCAL
TAX RATES, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The Filipino people are once again confronting a period of real economic strain. When global oil prices surge, the burden is not felt only at the gasoline station. It travels through the entire economy. It affects the fare paid by commuters, the cost of hauling rice, vegetables, fish, and other goods to the market, the expenses of farmers and transport operators, the delivery costs of small businesses, and the daily budget of ordinary families already struggling to make ends meet. In times like this, every additional increase in basic operating and household costs narrows what families can spend on food, medicine, education, and other essentials. Government must therefore act not only with fiscal discipline, but also with fairness, compassion, and sensitivity to the day-to-day realities of the people.

The seriousness of the present fuel situation has already been recognized by the Department of Energy itself. On 10 March 2026, the DOE announced that several oil companies agreed to implement staggered pump price adjustments in order to ease the immediate burden on motorists, public utility vehicle operators and drivers, delivery riders, and businesses that rely on fuel for daily operations. On the same date, the DOE's Oil Monitor reported a week-on-week increase of around USD 18.00 per barrel for Dubai crude, with gasoline up by about USD 22.00 per barrel, diesel by about USD 46.00 per barrel, and kerosene by about USD 75.00 per barrel. These are not isolated figures. They reflect the kind of external shock that rapidly raises transport, logistics, and distribution costs across the economy and ultimately reaches the consumer.¹

¹ <https://prod.cms.doc.gov/ph/documents/d/guest/oil-monitor-10-march-2026-main-copy-copy-1.pdf>

This bill is therefore proposed as a temporary and targeted measure of **tax relief** for calendar year 2026. It proceeds from a simple principle: when families, workers, farmers, transport operators, enterprises, and local communities are already absorbing the effects of an external fuel shock, government should avoid imposing or allowing additional tax burdens that may further raise prices and deepen economic pressure. The purpose of this measure is to provide breathing space during an exceptional year marked by overlapping cost burdens, while preserving the broader framework of public finance.

At the national level, existing law already provides for the automatic increase of certain excise taxes in 2026. Republic Act No. 11346 provides that cigarette taxes and certain tobacco-related excise taxes shall increase by **five percent (5%) every year** beginning 1 January 2024. Republic Act No. 11467 likewise provides annual increases in excise taxes on distilled spirits, wines, fermented liquors, and certain tobacco and vapor products. These increases are already embedded in law and take effect without the need of further legislative action.

At the same time, this bill also recognizes that additional tax burdens may arise not only from automatic increases in existing taxes, but also from **new national taxes** already enacted by law whose first legal effectivity, imposition, assessment, or collection falls in calendar year 2026. In the same way, local burdens may arise not only from higher existing local taxes, but also from **new local taxes, fees, charges, and similar impositions** that may be approved or made effective in the same year. When the economy is already under pressure from rising fuel and logistics costs, these additional burdens—whether by way of increase or newly effective imposition—may aggravate inflationary conditions and weaken the ability of households and enterprises to cope.

At the local level, 2026 is likewise a sensitive transition year because the implementation of updated Schedules of Market Values under Republic Act No. 12001, or the Real Property Valuation and Assessment Reform Act, may result in higher real property tax liabilities in many local government units. The law itself recognizes the possible burden of such adjustments and therefore provides that, for the first year of effectivity of an approved Schedule of Market Values, any increase in real property taxes shall be limited to a maximum of **six percent (6%)**, with that cap applying to each type of real property tax, including the Special Education Fund, idle land tax, and other special levies. Even then, a higher tax bill imposed in the same year as surging fuel, transport, and logistics costs may still be difficult for households, property owners, and enterprises to absorb.

The significance of the scheduled national tax increases is also reflected in the National Government's own fiscal program. In the FY 2026 Budget of Expenditures and Sources of Financing, projected BIR collections from **selective excises on goods** amount to **₱359.651 billion**, including **₱166.566 billion from tobacco products** and **₱132.073 billion from alcohol products**.² These figures show that the taxes covered by this bill are substantial revenue measures. Precisely for this reason, the present proposal is not crafted as a permanent repeal, but as a calibrated, time-bound, and exceptional response for calendar year 2026 only. It seeks to balance the legitimate revenue needs of the State with the equally urgent duty of government to

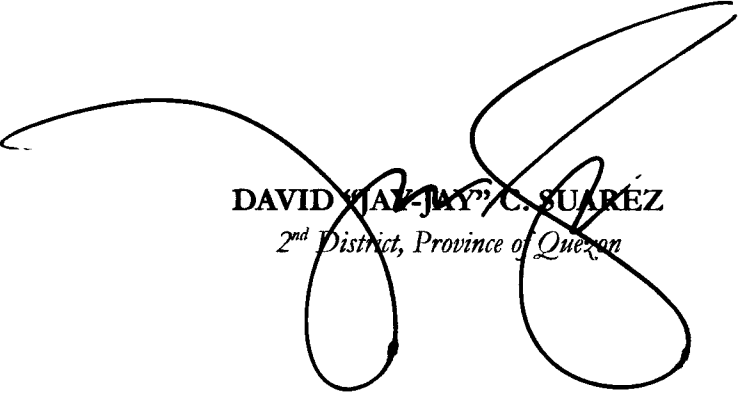
² <https://www.dbm.gov.ph/wp-content/uploads/BESE/BESE2026/C3.pdf>

shield the public from avoidable and cumulative economic burdens during a period of extraordinary external price volatility.

This measure is thus rooted in public welfare. It is intended to give temporary relief to consumers, workers, producers, small businesses, and local communities at a time when every additional cost increase ripples through the broader economy. It does not dismantle the tax system, nor does it permanently withdraw the authority of the State or of local governments to raise revenues under the Constitution and existing laws. Rather, it recognizes that Congress may, in the public interest, provide temporary relief and temporary limitations in order to shield the people from excessive or overlapping burdens during an extraordinary period.

By temporarily suspending certain national tax increases and new national taxes scheduled to take effect in 2026, temporarily suspending certain new local taxes and local tax increases effective in the same year, and temporarily stabilizing certain real property tax increases attributable solely to updated Schedules of Market Values, this bill offers prudent, humane, and responsive relief while preserving the broader framework of fiscal policy, public finance, and local autonomy.

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



DAVID "JAY-JAY" C. SUAREZ
2nd District, Province of Quezon



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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8660

Introduced by
REPRESENTATIVE DAVID “JAY-JAY” C. SUAREZ

AN ACT
PROHIBITING AND SUSPENDING THE IMPOSITION AND
IMPLEMENTATION OF ANY NEW NATIONAL TAX, AND ANY INCREASE IN
ANY EXISTING NATIONAL TAX, AND IMPOSING A TEMPORARY
MORATORIUM ON ANY NEW LOCAL TAX AND ANY INCREASE IN LOCAL
TAX RATES, AND FOR OTHER PURPOSES

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 “**Tax Relief Act of 2026.**”

Section 2. Declaration of Policy. – It is the policy of the State to protect the purchasing power and welfare of the Filipino people during periods of extraordinary external price volatility and unusual domestic cost pressures.

When rising fuel and logistics costs threaten to intensify inflation and erode household income, while scheduled tax adjustments risk adding further burden to consumers, workers, farmers, transport operators, property owners, and enterprises, the State may adopt temporary, targeted, and time-bound tax stabilization measures in the interest of public welfare, economic stability, and social equity.

Toward this end, the State shall, for calendar year 2026 only, grant temporary tax relief through the suspension of certain national tax increases and new national taxes scheduled to take effect in the same year, the suspension of certain new local taxes and local tax increases effective in the same year, and the temporary stabilization of certain real property tax increases arising from updated property valuations, without abandoning fiscal responsibility, public health objectives, or the constitutional framework of local autonomy.

Section 3. *Definition of Terms.* – For purposes of this Act:

- (a) “Updated Schedule of Market Values” or “updated SMV” refers to a Schedule of Market Values approved or made effective pursuant to Republic Act No. 12001 and its implementing rules and regulations.
- (b) “Real property tax increase attributable solely to updated SMV” refers to an increase in real property tax liability for taxable year 2026 arising solely from the effectivity of an updated SMV or the corresponding general revision of assessments under Republic Act No. 12001, and not from new buildings, structures, machinery, or improvements, change in actual use, subdivision, consolidation, taxpayer-specific alteration, correction of clerical or factual error, or any other cause not solely attributable to the updated SMV.
- (c) “Critical health programs” refers to programs, projects, and expenditures mandated by law to be supported, in whole or in part, by excise tax collections affected by this Act, including those relating to Universal Health Care, PhilHealth, medical assistance, and health facilities enhancement.
- (d) “2025 baseline rate” refers to the tax rate, amount, or burden in force and effect as of 31 December 2025.

Section 4. *Temporary Suspension of National Tax Increases and New National Taxes Scheduled to Take Effect in Calendar Year 2026.* – Notwithstanding any provision of the National Internal Revenue Code of 1997, as amended, and all other laws, rules, and regulations to the contrary, all increases in any existing national tax, and all new national taxes, levies, duties, charges, or similar impositions, already enacted by law and scheduled to take effect, or to be first imposed, assessed, or collected, in calendar year 2026, are hereby temporarily suspended until 31 December 2026.

In the case of an existing national tax, the rate or burden in force and effect as of 31 December 2025 shall remain applicable until 31 December 2026. In the case of a new national tax scheduled to be first imposed, assessed, or collected in calendar year 2026, such tax shall not be imposed, assessed, or collected until 1 January 2027.

This Section shall include, among others, national tax measures under laws providing automatic escalation of tax rates, as well as national taxes already enacted by law whose first legal imposition, assessment, or collection falls in calendar year 2026.

This Section shall not apply to taxpayer relief measures, increases in exemptions or non-taxable thresholds, non-tax regulatory measures, or administrative or compliance requirements that do not themselves impose a tax.

Section 5. *Temporary Suspension of New Local Taxes and Local Tax Increases Effective in Calendar Year 2026.* – No province, city, municipality, or barangay shall, during calendar year 2026, enact, impose, assess, collect, or implement any new local tax, fee, charge, levy, or other imposition, or any increase in any existing local tax, fee, charge, levy, or other imposition, beyond those in force and effect as of 31 December 2025: *Provided, That* increases in real property tax attributable solely to the effectivity of an updated Schedule of Market Values shall be governed by the immediately succeeding Section.

Any ordinance, amendment to a local revenue code, resolution, administrative issuance, or other local measure, insofar as it creates a new local tax, fee, charge, levy, or other imposition, or increases the same, effective in calendar year 2026, shall be deemed suspended and shall not be enforceable until 1 January 2027, unless sooner amended or repealed.

Section 6. *Temporary Stabilization of Certain Real Property Tax Increases Attributable Solely to Updated Schedules of Market Values.* – For taxable year 2026, notwithstanding Republic Act No. 12001, its implementing rules and regulations, and any ordinance to the contrary, any increase in real property tax attributable solely to the effectivity of an updated SMV shall be deferred, and the real property tax due on the same property for taxable year 2026 shall not exceed the amount lawfully due for taxable year 2025.

The deferred increment shall be collected in two (2) equal installments in taxable years 2027 and 2028, without surcharge, interest, or penalty.

The limitation under this Section shall apply per property and per type of real property tax, inclusive of the basic real property tax, the Special Education Fund levy, idle land tax, and other special levies on real property.

Section 7. *Exclusions from the Temporary Stabilization of Real Property Tax.* – The limitation under Section 6 shall not apply to increases in real property tax liability arising from:

- a. new buildings, structures, machinery, or other improvements;
- b. change in actual use of the property;
- c. subdivision, consolidation, or other physical or legal alteration affecting the property;
- d. correction of manifest clerical, factual, or mathematical error;
- e. removal or expiration of exemption, incentive, or special classification under existing law; or
- f. any cause other than an increase attributable solely to the effectivity of an updated SMV.

Section 8. *Continuity of Funding for Critical Health Programs.* – Nothing in this Act shall be construed to reduce or impair the continued implementation of critical health programs supported by excise tax collections under existing law.

Within thirty (30) days from the effectivity of this Act, the Department of Finance, the Department of Budget and Management, the Department of Health, and the Philippine Health Insurance Corporation shall jointly submit to Congress a continuity funding plan identifying lawful funding sources or budgetary adjustments necessary to ensure that no interruption results in the implementation of such critical health programs by reason of the temporary suspension under this Act.

Section 9. *Transitory Treatment of Excess Collections and Deferred Liabilities.* – Any national tax paid, assessed, or collected for calendar year 2026 in excess of the rates made applicable under Section 4 of this Act shall, subject to implementing rules, be credited against future internal revenue or customs liabilities of the taxpayer, or refunded where no practicable tax credit application is available.

Any local tax, fee, charge, levy, or other imposition paid, assessed, or collected for calendar year 2026 in violation of Section 5 of this Act shall, subject to implementing rules, be credited against future liabilities of the taxpayer or refunded, as may be appropriate.

Any real property tax paid for taxable year 2026 in excess of the amount allowable under Section 6 of this Act shall be applied as a credit against the taxpayer's real property tax liabilities for taxable years 2027 and 2028, unless sooner refunded or otherwise adjusted under applicable implementing rules.

Section 10. *Implementing Rules and Regulations.* – Within fifteen (15) days from the effectivity of this Act, the Department of Finance, in coordination with the Bureau of Internal Revenue, Bureau of Customs, Department of the Interior and Local Government, Bureau of Local Government Finance, Department of Budget and Management, Department of Health, and Philippine Health Insurance Corporation, shall promulgate the rules and regulations necessary for the faithful implementation of this Act.

Such rules and regulations shall provide for the conforming national tax schedules for calendar year 2026, the manner of suspension of new local taxes and local tax increases, the treatment of credits, refunds, and deferred liabilities, the implementation of the temporary stabilization of real property tax, and the reporting mechanisms required under this Act.

Section 11. *Reportorial Requirement.* – Within sixty (60) days from the effectivity of this Act, and every quarter thereafter until 31 December 2026, the Department of Finance shall submit to the House of Representatives and the Senate a report on the implementation of this Act, including its estimated fiscal impact, the status of the continuity funding plan under Section 8, the implementation status of the national tax suspension measures, the implementation status of the local tax suspension measures, and the implementation status of the temporary stabilization of real property tax.

Section 12. *Sunset Clause.* – The suspension and limitations under this Act shall apply only to calendar year 2026, except insofar as the deferred collection of real property tax increments under Section 6 necessarily extends to calendar years 2027 and 2028.

Section 13. *Separability Clause.* – If any provision or part of this Act is declared invalid or unconstitutional, other provisions not affected thereby shall continue to be in full force and effect.

Section 14. *Repealing Clause.* – All laws, decrees, executive orders, proclamations, other issuances, rules, and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

Section 15. *Effectivity.* – This Act shall take effect fifteen (15) days from its publication in the Official Gazette or in a newspaper of general circulation.

Approved,