



Republic of the Philippines
House of Representatives
Constitution Hills, Quezon City, Metro Manila



TWENTIETH CONGRESS
First Regular Session

House Bill No. **8733**

**AN ACT IMPOSING AN EXCISE TAX ON SINGLE-USE 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, AND FOR OTHER PURPOSES**

Introduced by Representative SHIRLYN L. BAÑAS-NOGRALES

EXPLANATORY NOTE

Plastic pollution poses a continuing threat to public health, fisheries, tourism, waterways, and local government solid waste systems. Single-use plastic bags—commonly used in public markets and retail transactions—are among the most visible and persistent waste streams, often clogging drainage systems, contributing to flooding, and increasing the cost of collection and disposal borne by local governments and communities.

In response, various measures have been filed in the House of Representatives in the Twentieth Congress to impose an excise tax on single-use plastic bags through amendments to the National Internal Revenue Code of 1997, as amended. Most versions converge on a rate of **One Hundred Pesos (P100.00) per kilogram** with an annual adjustment beginning in 2026, using a clear and enforceable taxable point: removal from the place of production for locally manufactured bags and release from customs custody for imported bags. Such a structure reflects a practical approach to internalizing environmental costs through a market-based instrument.

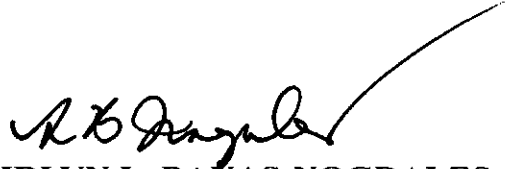
This proposed measure, the **“Balanced Excise Tax on Single-Use Plastics Act,”** adopts the most balanced and implementable features found in the pending versions and strengthens them with safeguards to ensure that implementation is fair, transparent, and locally effective. It establishes a clear, enforceable excise tax mechanism while dedicating incremental revenues exclusively to programs that reduce plastic leakage and strengthen solid waste management.

In particular, the bill provides for:

1. **A clear excise tax framework** on single-use plastic bags that is administratively workable for both domestic manufacturers and importers;
2. **A "Food Security" Exemption** for primary packaging (such as *labo* bags) used for fresh fish, meat, and poultry, ensuring that the tax does not inflate the price of basic food items for the poor;
3. **A hybrid revenue allocation scheme** that mandates a **fifty percent (50%)** direct retention for host LGUs to fund their solid waste management plans, while ensuring national technical assistance and oversight through the Department of Environment and Natural Resources (DENR); and
4. **A Just Transition and Consumer Protection Window** to assist public markets and micro-enterprises in shifting to more sustainable alternatives, thereby addressing fairness concerns and mitigating undue burden on low-income consumers.

By combining environmental protection, fiscal responsibility, and social equity, the bill aims to reduce pollution, strengthen LGU waste management systems, and promote responsible consumption while enabling a practical and inclusive transition away from single-use plastics.

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


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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 “**Balanced Excise Tax on Single-Use Plastics Act.**”

SECTION 2. Declaration of Policy. – It is the policy of the State to protect and advance the right of the people to a balanced and healthful ecology. Towards this end, the State shall adopt market-based instruments to minimize the consumption of single-use plastics, promote the use of reusable alternatives, and generate funds for local solid waste management programs.

SECTION 3. Definition of Terms. – As used in this Act: (a) “**Single-Use Plastic Bag**” refers to a secondary level plastic bag with or without a handle, also known as “sando bags,” made of synthetic or semi-synthetic polymers, used for carrying or transporting goods. (b) “**Primary Packaging**” refers to the material that directly contains the product, such as the plastic wrapping for fresh meat, fish, poultry, or ice, which is necessary to contain the item, maintain hygiene, and prevent contamination. (c) “**Secondary Packaging**” refers to the packaging used to group distinct products for purchase, such as shopping bags used at the point of sale.

SECTION 4. Imposition of Excise Tax. – A new Section 150-C is hereby inserted in the National Internal Revenue Code of 1997, as amended, to read as follows:

"SEC. 150-C. SINGLE-USE PLASTIC BAGS. – There shall be levied, assessed, and collected an excise tax in the amount of **One Hundred Pesos (PHP 100.00)** for every kilogram of Single-Use Plastic Bags removed from the place of production or released from the custody of the Bureau of Customs.

Indexation. – The specific tax rate shall be increased by four percent (4%) every year effective **January 1, 2028**, through revenue regulations issued by the Secretary of Finance."

SECTION 5. Exemptions. – To ensure food security and prevent inflationary effects on basic commodities, the following shall be **EXEMPT** from the excise tax imposed under this Act: (a) (a) Single-use plastics used strictly as **Primary Packaging**, as defined in Section 3(b), that directly contains the product for hygiene and contamination prevention, Provided, That this exemption shall not apply to Secondary Packaging or carrier bags used at the point of sale, including 'sando,' 'labo,' 'ice,' or similar bags used to carry or transport purchased goods; (b) Plastics used for medical and hygienic purposes where no commercially viable biodegradable alternative exists; and (c) Bio-polymers and compostable plastic bags, provided they are certified as compostable or biodegradable in accordance with standards to be set by the Department of Trade and Industry (DTI) through the Bureau of Philippine Standards (BPS), in coordination with the Department of Environment and Natural Resources (DENR).

SECTION 6. Disposition of Revenues. – Section 288 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to include a new subsection to read as follows:

"SEC. 288. Disposition of Incremental Revenues. **(H) Incremental Revenues from the Excise Tax on Single-Use Plastic Bags.** – The incremental revenues collected from the excise tax on single-use plastic bags shall be allocated as follows:

- (1) **Fifty percent (50%)** shall be released to the **City or Municipal Government** where the tax was collected, to be received by the Local Treasury and booked under a special account in the general fund, to be used exclusively for the purposes stated herein. These funds shall be strictly ring-fenced for the implementation of local solid waste management plans, including the establishment and operation of Material Recovery Facilities (MRFs), collection and segregation systems, and compliant final disposal facilities consistent with Republic Act No. 9003.
- (2) **Thirty percent (30%)** shall accrue to the **Solid Waste Management Fund** under the Department of Environment and Natural Resources (DENR) to support the implementation of Republic Act No. 9003, including technical assistance to LGUs; and
- (3) **Twenty percent (20%)** shall accrue to the **'Just Transition and Consumer Protection Fund'** to be administered by the Department of Trade and Industry (DTI) and the Department of Agriculture (DA)."

SECTION 7. Just Transition and Consumer Protection Program. – To mitigate the economic impact on micro-enterprises and consumers, the **Just Transition and Consumer Protection Fund** created under Section 6(H)(3) shall be used exclusively for: (a) Subsidizing the cost of alternative, eco-friendly packaging for registered public market vendors and micro-merchants for a period of three (3) years; (b) Conducting information campaigns on sustainable consumption; and (c) Providing technical and livelihood support for local manufacturers transitioning from single-use plastics to biodegradable alternatives.

SECTION 8. Tax Administration. – (a) **Filing of Return.** – Every person liable to pay the excise tax shall file a separate return and pay the tax due thereon before removal of the plastic bags from the place of production or from the customs house. (b) **Labelling.** – All single-use plastic bags shall bear a printed label indicating that the excise tax has been paid, in a manner prescribed by the Commissioner of Internal Revenue, upon recommendation of the Secretary of Finance.

SECTION 9. Implementing Rules and Regulations (IRR). – Within sixty (60) days from the effectivity of this Act, the Secretary of Finance, upon the recommendation of the Commissioner of Internal Revenue, and in consultation with the DENR, DTI, DA, and the Department of the Interior and Local Government (DILG), shall promulgate the necessary rules and regulations for the effective implementation of this Act.

SECTION 10. Separability Clause. – If any provision of this Act is declared unconstitutional or invalid, the remainder of the provisions thereof not affected shall remain in full force and effect.

SECTION 11. Repealing Clause. – All laws, presidential decrees, executive orders, rules, and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 12. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,