



Republic of the Philippines
House of Representatives
Quezon City

TWENTIETH CONGRESS

First Regular Session



House Bill No. 8979

Introduced by

Sergio C. Dagooc, APEC Party-List Representative

Presley C. De Jesus, PhilRECA Party-List Representative

EXPLANATORY NOTE

Batas Pambansa Blg. 36, enacted on September 7, 1979, imposes an energy tax on the monthly electric power consumption of every residential customer of electric utilities. The tax is structured based on consumption levels:

Consumption Bracket	Tax imposed
Not over 650kWh	Exempt
650kWh to 1,000kWh	P0.10 per kWh in excess of 650kWh
1,000kWh to 1,500kWh	P35.00 plus P0.20 per kWh in excess of 1,000kWh
Over 1,500kWh	P135.00 plus P0.35 per kWh in excess of 1,500kWh

The primary objective of BP 36 was energy conservation and promoting the efficient utilization of electric power. At the time of its enactment in 1979, the Philippines was grappling with the global oil crisis, necessitating fiscal measures to curb excessive energy consumption, particularly among high-

volume residential users. The law acted as a progressive "penalty" for higher consumption to discourage waste.

Almost fifty years had passed since the enactment of this law, and the energy landscape has shifted to a complex, restructured market. The imposition of a "conservation tax" on top of billing components is incompatible in an era where the state aims to lower electricity costs for global competitiveness.

Today, end-users already bear the weight of a 12% Value-Added Tax (VAT) on all components of the electric bill, system loss charges, universal charges, among others. Furthermore, the thresholds set in 1979, where 650 kWh was considered the "luxury" ceiling, do not reflect modern consumption patterns, where increased reliance on appliances and technology has made such levels common.

Repealing Batas Pambansa Blg. 36 is a necessary step to streamline the Philippine electric power sector's tax structure, provide immediate relief to consumers, and eliminate a token levy that no longer serves its original purpose in a fully unbundled and competitive power market.

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



REP. SERGIO C. DAGOOC
APEC Party-List



REP. PRESLEY C. DE JESUS
PhilRECA Party-List



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AN ACT

**REPEALING BATAS PAMBANSA BLG. 36, OTHERWISE KNOWN AS “AN
ACT IMPOSING AN ENERGY TAX ON ELECTRIC POWER
CONSUMPTION”**

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

1 **SECTION 1. Declaration of State Policies.** – It is the policy of the
2 State to ensure the quality, reliability, security, and affordability of the supply
3 of electric power. The State likewise recognizes the need to protect the
4 consumers from excessive and unreasonable impositions that will unduly
5 provide an additional financial burden to the public.

6 **SEC. 2. Repealing Clause.** – Any provision of law to the contrary
7 notwithstanding, Batas Pambansa Blg. 36, entitled "*An Act Imposing An*
8 *Energy Tax on Electric Power Consumption*" is hereby repealed.

9 **SEC. 3. Effectivity Clause.** – This Act shall take effect after fifteen (15)
10 days following its complete publication in the Official Gazette or in two (2)
11 newspapers of general circulation whichever is earlier.