



HOUSE OF REPRESENTATIVES

H. No. 8418

BY REPRESENTATIVES DY (F.), MARCOS, QUIMBO, KHONGHUN, SUAREZ, GARIN, SINGSON-MEEHAN, TY, BAUTISTA-LIM, PLEYTO, SUNTAY, ROMUALDEZ (F.M.), ROMUALDEZ (Y.M.), ROMUALDEZ (A.J.), ACIDRE, RECTO, GUINTU, VILLANUEVA, SUAN, SALCEDA, BARONDA, TIANGCO, YAP (ERIC), RODRIGUEZ (R.), TAN (S.J.), ESPINA, VILLA, DIONISIO, VALERIANO, CHUA, ANGELES, GUTIERREZ, ANG, DAGOOC, CAGAS, POE, SUANSING (M.A.), GONZALES (A.M.), PRIMICIAS-AGABAS AND NAZAL

AN ACT

AUTHORIZING THE PRESIDENT OF THE PHILIPPINES TO SUSPEND OR REDUCE THE EXCISE TAXES ON PETROLEUM PRODUCTS DURING NATIONAL OR GLOBAL ECONOMIC EMERGENCIES, AMENDING FOR THE PURPOSE 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:

1 **SECTION 1.** Section 148 of the National Internal Revenue Code (NIRC) of 1997, as
2 amended, is hereby further amended to read as follows:

3 “SEC. 148. *Manufactured Oils and Other Fuels.* – There shall be collected on
4 refined and manufactured mineral oils and motor fuels, the following excise taxes
5 which shall attach to the goods hereunder enumerated as soon as they are in existence
6 as such:

7 “X X X

8 “X X X

9 “X X X

10 [For the period covering 2018 to 2020, the scheduled increase in the excise tax
11 on fuel as imposed in this Section shall be suspended when the average Dubai crude

1 oil price based on Mean of Platts Singapore (MOPS) for three (3) months prior to the
2 scheduled increase of the month reaches or exceeds Eighty dollars (USD 80) per
3 barrel.]

4 [Provided, That the Department of Finance shall perform an annual review of
5 the implementation of the excise tax on fuel and shall, based on projections provided
6 and recommendations of the Development Budget Coordination Committee, as
7 reconciled from the conditions as provided above, recommend the implementation or
8 suspension of the excise tax on fuel: *Provided, further*, That the recommendation shall
9 be given on a yearly basis: *Provided, finally*, That any suspension of the increase in
10 excise tax shall not result in any reduction of the excise tax being imposed at the time
11 of the suspension.]

12 **“THE PRESIDENT MAY, UPON THE RECOMMENDATION OF THE**
13 **DEVELOPMENT BUDGET COORDINATION COMMITTEE, IN**
14 **COORDINATION WITH THE SECRETARY OF ENERGY, SUSPEND THE**
15 **IMPOSITION OF, OR REDUCE THE EXCISE TAXES ON FUEL UNDER**
16 **THIS SECTION, SUBJECT TO THE FOLLOWING CONDITIONS:**

17 **“(A) THE AVERAGE DUBAI CRUDE OIL PRICE BASED ON MEAN**
18 **OF PLATTS SINGAPORE (MOPS) HAS REACHED OR**
19 **EXCEEDED EIGHTY DOLLARS (USD 80) PER BARREL FOR**
20 **ONE (1) MONTH IMMEDIATELY PRECEDING THE ISSUANCE**
21 **OF THE SUSPENSION OR REDUCTION ORDER; OR,**

22 **“(B) A STATE OF NATIONAL EMERGENCY OR CALAMITY HAS**
23 **BEEN DECLARED BY THE PRESIDENT AND SUCH**
24 **CONDITION HAS RESULTED IN EXTRAORDINARY**
25 **INCREASES IN DOMESTIC PUMP PRICES OF PETROLEUM**
26 **PRODUCTS AS CERTIFIED BY THE SECRETARY OF ENERGY.**

27 **“THE SUSPENSION MAY BE APPLIED TO SPECIFIC PETROLEUM**
28 **PRODUCTS AND MAY BE IMPLEMENTED EITHER AS A FULL**
29 **SUSPENSION OR PARTIAL REDUCTION OF THE APPLICABLE EXCISE**
30 **TAX RATES UNDER THIS SECTION, AS MAY BE WARRANTED BY**
31 **PREVAILING CONDITIONS.**

32 **“ANY SUSPENSION OR REDUCTION AUTHORIZED UNDER THIS**
33 **SECTION SHALL BE EFFECTIVE FOR A PERIOD NOT EXCEEDING SIX**
34 **(6) MONTHS, UNLESS OTHERWISE EXTENDED OR TERMINATED**

1 EARLIER BY CONGRESS THROUGH A JOINT RESOLUTION:
2 *PROVIDED*, THAT THE AGGREGATE PERIOD OF THE SUSPENSION OR
3 REDUCTION SHALL NOT EXCEED ONE (1) CALENDAR YEAR AND
4 THAT ANY SUSPENSION OR REDUCTION SHALL BE LIFTED WHEN
5 THE CONDITIONS THAT WARRANT THE SUSPENSION OR REDUCTION
6 NO LONGER EXIST: *PROVIDED, FURTHER*, THAT UPON THE
7 EXPIRATION OF THE PERIOD OF SUSPENSION OR REDUCTION, THE
8 APPLICABLE EXCISE TAX RATES SHALL BE AUTOMATICALLY
9 REINSTATED WITHOUT THE NEED OF FURTHER LEGISLATIVE OR
10 EXECUTIVE ACTION: *PROVIDED, FINALLY*, THAT THE POWER OF THE
11 PRESIDENT TO TEMPORARILY SUSPEND OR REDUCE THE EXCISE
12 TAX ON FUEL PRODUCTS GRANTED UNDER THIS SECTION SHALL BE
13 EXERCISED ONLY UNTIL DECEMBER 31, 2028.

14 “WITHIN FIFTEEN (15) DAYS FROM THE ISSUANCE OF THE
15 SUSPENSION OR REDUCTION ORDER, AND EVERY MONTH
16 THEREAFTER, THE PRESIDENT SHALL, THROUGH THE SECRETARY
17 OF FINANCE, SUBMIT TO THE HOUSE OF REPRESENTATIVES AND
18 SENATE A REPORT ON THE FOLLOWING:

19 “(1) THE FACTUAL BASIS FOR THE SUSPENSION OR REDUCTION
20 OF EXCISE TAXES;

21 “(2) THE ESTIMATED FOREGONE REVENUES; AND

22 “(3) THE EXPECTED IMPACT ON INFLATION, FUEL PRICES, AND
23 OTHER ECONOMIC ACTIVITY.”

24 SEC. 2. Within fifteen (15) days from the effectivity of this Act, the Department of
25 Finance, the Department of Budget and Management, the Department of Economy, Planning,
26 and Development, Department of Energy, and the *Bangko Sentral ng Pilipinas*, in
27 coordination with the Bureau of Internal Revenue and the Bureau of Customs, shall jointly
28 issue the necessary rules and regulations for the implementation of this Act.

29 SEC. 3. If any provision of this Act is declared unconstitutional or invalid, the other
30 provisions not affected thereby shall remain in full force and effect.

31 SEC. 4. All laws, decrees, orders, rules, and regulations inconsistent with the
32 provisions of this Act are hereby repealed, amended, or modified accordingly.

33 SEC. 5. This Act shall take effect fifteen (15) days after its publication in the *Official*
34 *Gazette* or in a newspaper of general circulation.

Approved,