



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

Nineteenth Congress
First Regular Session

HOUSE BILL NO. 3325



Introduced by Representative Jefferson F. Khonghun

AN ACT SUSPENDING THE IMPOSITION OF EXCISE TAX ON MOTOR FUEL AND OTHER PETROLEUM PRODUCTS

EXPLANATORY NOTE

Relentless oil price hikes can slow down the growth of an economy, and the poor have always been the worst-hit. To address this, I am proposing a bill seeking to suspend the imposition of excise tax on petroleum products due to frequent oil price hike.

Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion (TRAIN) law, was signed into law by former president Rodrigo Duterte on December 19, 2017. Per the Department of Finance, it is the thrust of the said law to correct the previous tax system regarding the imposition of income tax. TRAIN law also imposes various kinds of taxes on goods and services, including the imposition of excise tax. The proceeds of this revenue-raising mechanism posit as a solution to poverty.

While we consider that taxation is the lifeblood of the government, that a state cannot thrive without the contributions of its citizens, however, it remains a burden to our citizens. The prices of today's goods and services are at an all-time high, couple the same with the payment of taxes, hurt the financial capability of our citizens, especially our less-fortunate members.

One particular commodity that upsets consumers is petroleum. The consistent spike in the price of oil also means the continued price hike of all other goods and services. Regardless of the factors surrounding the same, it becomes imperative to address the grave effects of rising oil prices on basic commodities and services.

On March 8, 2022 *via* press release, Hon. Franklin M. Drilon opined that he “does not see any legal impediment that would prevent the Department of Finance and the Bureau of Internal Revenue from suspending the collection of fuel excise taxes to cushion the impact of astronomical increases in the prices of petroleum products.”¹ Being one with the sentiment of the former senator, the purpose of this bill is simply, “to mitigate the impact of high oil prices on the cost of goods and living expenses of the ordinary Filipino.”²

This legislation does not seek to permanently suspend the imposition of excise tax on fuel products. Nevertheless, this bill purports a suspension of the said tax until such time that the economy of the country stabilizes or transitions to a possible “new normal”. An implementation of this bill would definitely lend a helping hand to the ordinary Filipino, thereby embodying the slogan, “those who have less in life should have more in law.”

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



JEFFERSON R. KHONGHUN
1st District of Zambales

¹https://legacy.senate.gov.ph/press_release/2022/0308_drilon1.asp

²*Ibid.*

**AN ACT SUSPENDING THE IMPOSITION OF EXCISE TAX
ON MOTOR FUEL AND OTHER PETROLEUM PRODUCTS**

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

SECTION 1. *Suspension on the Imposition of Excise Tax on Fuel and
Other Petroleum Products.* – The imposition of excise tax on motor fuel,
particularly leaded and unleaded premium gasoline, aviation turbo jet fuel,
kerosene, and diesel fuel oil, and other petroleum products involved in the
manufacturing and production thereof, as enumerated under Sec. 148 of
National Internal Revenue Code of the Philippines, as amended, is hereby
suspended.

Accordingly, the provisions concerning the imposition of excise tax on
the said motor fuel and petroleum products under Republic Act No. 10963,
otherwise known as the Tax Reform for Acceleration and Inclusion Law, and
under BIR Revenue Regulation No. 2-2018, as well as other laws, executive
orders, and decrees, insofar as they impose excise tax on the said products
are likewise suspended from implementation.

SECTION 2. *Limitations.* – The suspension of the imposition of excise
tax on the said motor fuel and other petroleum products shall not bar the
imposition of customs taxes and duties and excise tax on imported petroleum
products which are not directly used to provide power to the motor in a vehicle
nor involved in the manufacturing and production of motor fuel.

SECTION 3. *Separability Clause.* – Should any part of this Act be
declared unconstitutional or invalid, other provisions hereof that are not
affected thereby shall continue to be in full force and effect.

SECTION 4. *Repealing Clause.* – All laws, decrees, executive orders,
proclamations, rules and regulations, and issuances, or parts thereof which
are inconsistent with the provisions of this Act, are hereby repealed, amended

1 or modified accordingly.

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3 **SECTION 5. Effectivity.** – This Act shall take effect fifteen (15) days
4 following the completion of its publication in the *Official Gazette* or in
5 newspaper of general circulation.

6 *Approved,*