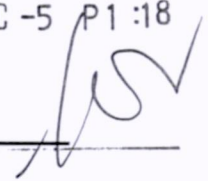


SENATE

'18 DEC -5 P1 :18

P. S. Res. No. 964

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Introduced by Senator FRANCIS G. ESCUDERO

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**RESOLUTION**

**URGING THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES TO RECONSIDER THE IMPLEMENTATION OF THE SECOND TRANCHE OF THE EXCISE TAX ON FUEL IN 2019 OR AT THE LEAST SUSPEND SUCH IMPLEMENTATION WITH DISPATCH AT ANYTIME IN THE SAME YEAR ONCE THE DESIGNATED THRESHOLDS ARE AGAIN ABOUT TO CAUSE HIGH INFLATION**

**WHEREAS**, Section 43 of Republic Act (RA) No. 10963 or the Tax Reform for Acceleration and Inclusion (TRAIN) law provides for the implementation or suspension of the excise tax on fuel upon the recommendation to the President by the Department of Finance (DOF) and the Development Budget Coordination Committee (DBCC).

**WHEREAS**, inflation reached a nine year high of 6.7 percent in September and the Duterte Administration's financial and economic managers then in October likewise projected that the price and multiple estimates of Dubai crude oil prices over the next two months, which is November and December of the current year, would stay at an average price above the \$80 per barrel threshold.<sup>1</sup>

**WHEREAS**, on the basis of the above inflation and projection, the President announced in October 2018 that he will temporarily suspend the second tranche of the fuel tax rate increase as mandated by RA No. 10963.

**WHEREAS**, in a sudden turn of events and contrary to the projection by the Administration's financial and economic managers, the price of Dubai crude has gone down in November 2018.

**WHEREAS**, the President on 04 December 2018 retracted from his previous decision, apparently upon the recommendation of his financial and economic

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<sup>1</sup> Section 43, RA No. 10963 provides that the price of dubai crude oil is based on Mean of Platts Singapore (MOPS).

managers, and declared that he will not suspend the implementation of the second tranche of fuel tax increase.

**WHEREAS**, considering the previous erroneous projection in October, certainty becomes nil at best and no assurance can ever be had either by the President or the public itself that high prices of goods and services will never happen not to mention the fact that election spending will definitely exacerbate inflation in 2019, an election year, where demand-pull inflation may likely occur.

**WHEREAS**, it is best that there must be suspension of the implementation of the second tranche of fuel excise tax right away or that the suspension be swift in 2019 so as to effectively address inflation before it again directly affects the lives of every Filipino.

**NOW, THEREFORE BE IT, RESOLVED AS IT HEREBY RESOLVED** that the Senate **urge** President Rodrigo Duterte to reconsider the implementation of the second tranche of excise tax on fuel under RA No. 10963 or, at the least, consider its swift suspension anytime in 2019 when inflation again becomes uncontrollable.

**Adopted,**

A handwritten signature in black ink, consisting of a series of loops and a horizontal line at the bottom.