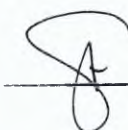


NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



'22 JUL -7 P2:31

SENATE
S. No. 101

RECEIVED BY: 

Introduced by Senator Grace Poe

AN ACT
PROVIDING FOR THE AUTOMATIC SUSPENSION OF EXCISE TAXES ON
REGULAR GASOLINE, UNLEADED PREMIUM GASOLINE, AND DIESEL,
AMENDING FOR THE PURPOSE SECTION 148 OF THE NATIONAL
INTERNAL REVENUE CODE, AS AMENDED

EXPLANATORY NOTE

For months now, the country has continuously been ravaged by the unrelenting increase in fuel prices. As of 21 June 2022, the year-to-date adjustments in domestic oil prices stand at a total net increase of P29.50/liter for gasoline, P44.25/liter for diesel, and P39.65/liter for kerosene.¹ In terms of pump prices, the Department of Energy (DOE) data² show that as of 23 June 2022, several areas in Metro Manila reach soaring prices of up to P98.90 per liter for gasoline³, P98.00 per liter for diesel⁴, and P99.04 for kerosene⁵, with the real possibility of pump prices reaching P100.00 as prices continue to increase unabated.⁶

The aftermath of this continuing nightmare in fuel prices can only be described as devastating and cataclysmic. The surge in oil prices has led to the

¹ Department of Energy. (21 June 2022). "Oil Monitor as of 21 June 2022". Accessed from: <https://www.doe.gov.ph/oil-monitor?withshield=1>

² Department of Energy. (23 June 2022). "NCR Prevailing Retail Pump Price as of June 23, 2022". Accessed from: https://www.doe.gov.ph/sites/default/files/pdf/price_watch/petro_ncr_2022-06-23.pdf

³ Recorded in Muntinlupa City.

⁴ Recorded in Pasay City.

⁵ Recorded in Taguig City.

⁶ Cabuenas, Jon Viktor D. (20 June 2022). "Petroleum Pump Prices Could Hit P100/liter if Hikes Continue, DOE Says". GMA News. Accessed from: <https://www.gmanetwork.com/news/money/companies/835463/petroleum-pump-prices-could-hit-p100-liter-if-hikes-continue-doe-says/story/>

ballooning in inflation, with May 2022 inflation rate reaching a 42-month-high of 5.4%.⁷ Hundreds of PUVs such as jeepneys now lie in depots and parking garages as more and more *tsupers*—currently estimated at 20% of the estimated 900,000 jeepney drivers in the country—are forced to leave their trade due to operating at significant loss.⁸ In turn, commuters and ordinary Filipinos suffer from not just increasing prices in commodities but also from considerable shortage in transportation itself.⁹

One of the pressing calls to mitigate the continuing increase in oil prices, particularly those which are used mainly for transportation, is the suspension of the collection of excise taxes on fuel products. Under the National Internal Revenue Code (NIRC), as amended, excise tax on regular and unleaded premium gasoline is currently set at P10.00 per liter of volume capacity, while excise tax on diesel fuel oil is set at P6.00. While the TRAIN Law under Republic Act No. 10963 provides for a mechanism for suspending excise tax, the automatic suspension is only valid up to year 2020 and the suspensions thereafter are premised on the recommendation of the Department of Finance, which has since made it clear that it is not an advocate for the suspension thereof.¹⁰ Hence, the creation of this bill.

The bill at hand proposes to amend Section 148 of the National Internal Revenue Code by providing for the automatic suspension of the excise tax on gasoline, unleaded premium gasoline when the average Dubai crude oil price based on Mean of Platts Singapore (MOPS) for three (3) months prior to the scheduled increase of the month reaches or exceeds Eighty dollars (USD 80) per barrel. The resulting decrease in prices of these fuel products used especially in transportation

⁷ de Vera, Ben O. (08 June 2022). "May Inflation Rate Heats Up to 42-Month High of 5.4%". Philippine Daily Inquirer. Accessed from: <https://business.inquirer.net/349873/may-inflation-rate-heats-up-to-42-mo-high-of-5-4>

⁸ Piad, Tyrone Jasper C. (23 June 2022). "Commuters Suffer as Many Kings of the Road Relinquish Crown". Inquirer.net. Accessed from: <https://business.inquirer.net/351076/commuters-suffer-as-many-kings-of-the-road-relinquish-crown>

⁹ Ibid.

¹⁰ Department of Finance. (16 March 2022). "DOF: Suspending Fuel Excise Tax to Benefit Rich, Not Poor Families, Better to Give P33-B Cash Aid to Low-Income, Vulnerable Sectors". Accessed from: <https://www.dof.gov.ph/dof-suspending-fuel-excise-tax-to-benefit-rich-not-poor-families-better-to-give-p33-b-cash-aid-to-low-income-vulnerable-sectors/>

may in turn tide the rising inflation as well as mitigate the escalating effect of the continuing surge in prices.

In light of the urgency of the matter, immediate approval of this measure is eagerly sought.



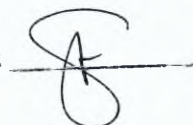
GRACE POE

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



'22 JUL -7 P2:31

SENATE
S. No. 101

RECEIVED BY: 

Introduced by Senator Grace Poe

**AN ACT
PROVIDING FOR THE AUTOMATIC SUSPENSION OF EXCISE TAXES ON
REGULAR GASOLINE, UNLEADED PREMIUM GASOLINE, AND DIESEL,
AMENDING FOR THE PURPOSE SECTION 148 OF THE NATIONAL
INTERNAL REVENUE CODE, AS AMENDED.**

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

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

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

7 x x x

8 "~~For the period covering 2018 to 2020,~~ [t]The [scheduled increase in
9 the] excise tax on [fuel] **REGULAR GASOLINE, UNLEADED PREMIUM
10 GASOLINE, AND DIESEL FUEL OIL** as imposed in this Section shall be
11 **AUTOMATICALLY** suspended when the average Dubai crude oil price
12 based on Mean of Platts Singapore (MOPS) for three (3) months prior to the
13 scheduled increase of the month reaches or exceeds Eighty dollars (USD 80)
14 per barrel."

15 x x x"

16 *Sec. 2. Implementing Rules and Regulations.* — Such rules and regulations as
17 may be necessary to implement this Act shall be issued within thirty (30) days of its
18 effectivity.

1 *Sec. 3. Repealing Clause.* — All laws, decrees, orders, rules and regulations or
2 other issuances or parts thereof inconsistent with the provisions of this Act are
3 hereby repealed and modified accordingly.

4 *Sec. 4. Effectivity.* —This Act shall take effect fifteen (15) days after its
5 publication in the Official Gazette.

Approved,