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



'22 JUL -7 P5 :58

SENATE
S.B. No. 229

RECEIVED BY 

INTRODUCED BY SENATOR ROBINHOOD PADILLA

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

EXPLANATORY NOTE

The continuous hike of oil prices due to the developments in the world market particularly, the geopolitical war between Ukraine and Russia, has worsened our economic downturn brought by the impact of the COVID-19 pandemic.

The soaring oil prices in recent months which speedily spill over to the food basket also directly hit the vulnerable sectors of society. With around 8% of an average Filipino family's budget allocated to fuel, water and other utilities, and transportation costs rising unabatedly, the clamor for government action becomes more urgent and compelling.

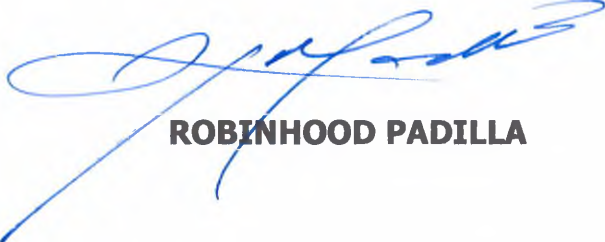
As a net importer of oil, we are heavily dependent on the price indicated by the market. Based on the Banko Sentral ng Pilipinas' (BSP) latest assessment as of February 17, 2022, the Dubai crude oil price for this year is projected to average at USD 83.3 per barrel. Oil companies are obliged to implement price increase in domestic oil products: gasoline by P0.50 per liter, P1.65 per liter for diesel, and kerosene by P0.10 per liter effectively on June 28, 2022. These resulted in the year-to-date adjustments to stand at a net increase of P30.00/liter for gasoline, P45.90/liter for diesel, and P39.75/liter for kerosene.

Taxes levied on fuel also significantly increased its market price. Pursuant to the Tax Reform for Acceleration and Inclusion Act (TRAIN), the excise tax on regular and unleaded premium gasoline and diesel fuel oil is currently set at P10.00 and P6.00 per liter of volume capacity, respectively. A Value Added Tax (VAT) of 12% is also imposed on the sale of gasoline and diesel.

While the suspension of the collection of excise taxes on gasoline and diesel due to the rising pump price appears to be a sound policy, the authority granted under the TRAIN law to suspend the collection of excise taxes on these products was transitory and covered only the years of 2018 to 2020.

To this end, this bill proposes to amend Section 148 of the National Internal Revenue Code to provide 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.

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



ROBINHOOD PADILLA



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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

4 "Sec. 148. Manufactured Oils and Other Fuels.- There shall be collected on
5 refined and manufactured mineral oils and motor fuels, the following excise
6 taxes which shall attach to the goods hereunder enumerated as soon as they
7 are in existence as such:
8

9 xxx

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11 "~~For the period covering 2018 to 2020,~~ **THE** ~~the~~ **[scheduled increase in**
12 **the]** excise tax on ~~fuel~~ **UNLEADED PREMIUM GASOLINE, REGULAR**
13 **GASOLINE, AND DIESEL FUEL OIL** as imposed in this Section shall be
14 **AUTOMATICALLY** suspended when the average Dubai crude oil price based
15 on Mean of Platts Singapore (MOPS) for three (3) months ~~prior to the~~
16 ~~scheduled increase of the month~~ reaches or exceeds Eighty dollars (USD
17 80) per barrel."
18

19 xxx

20
21 **Section 2. Repealing Clause** - All laws, decrees, orders, rules and
22 regulations, or other issuances or parts thereof inconsistent with the provisions of this
23 Act are hereby repealed and modified accordingly.
24

1 **Section 3. *Implementing Rules and Regulations*** - Within ninety (30) days
2 from the effectivity of this Act, the DOF, in consultation with the appropriate
3 government agencies, shall promulgate rules and regulations necessary for the
4 effective implementation of this Act.

5
6 **Section 4. *Effectivity*** -This Act shall take effect fifteen (15) days after its
7 publication in the Official Gazette or in a newspaper of general circulation.

Approved,