



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

22 NOV -3 P5 :06

RECEIVED BY:

SENATE

S. B. NO. 1449

Introduced by SENATOR JOEL VILLANUEVA

AN ACT
IMPOSING EXCISE TAX ON PLASTIC BAGS, AMENDING FOR THE
PURPOSE SECTION 288 AND ADDING A NEW SECTION 150-C IN
THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

EXPLANATORY NOTE

Plastics can easily end up in landfills, dumpsites, or oceans and other bodies of water if its use continue to be largely unregulated and no proper incentive system for the use of alternative products are put in place. This poses not only ecological hazard to wildlife, but also public health risks.

In 2016, a body of a rare fish called coelacanth washed up in Indonesia with food wrappers around its intestines,¹ while a body of a pregnant whale shark was found with 50 pounds of plastic in her stomach.² One study estimates that around 100 million marine animals die each year because of plastic waste.³

Meanwhile, in 2017, a team of scientists discovered a total of 36 tiny pieces of plastic in the bodies of 120 mackerel, anchovies, mullets and croakers, fishes which are eaten by humans.⁴ Another study recently published in May 2022 found microplastics in human blood.⁵ While research is ongoing on the real effects of microplastics in the human body, initial research suggests that plastics (and its

¹ August 12, 2018. Death by plastic waste. Retrieved from <https://theasianpost.com/article/death-plastic-waste> (date last accessed: October 19, 2022).

² April 3, 2019. This pregnant whale died with 50 pounds of plastic in her stomach. Retrieved from <https://www.nationalgeographic.com/environment/2019/04/dead-pregnant-whale-plastic-italy/> (date last accessed: October 19, 2022).

³ *Supra* note 1.

⁴ July 26, 2017. Plastic microparticles found in flesh of fish eaten by humans. Retrieved from <https://www.independent.co.uk/environment/plastic-microparticles-fish-flesh-eaten-humans-food-chain-mackerel-anchovy-mullet-a7860726.html> (date last accessed: October 19, 2022).


⁵ June 29, 2022. Microplastics in the food chain: How harmful are they? Retrieved from <https://www.weforum.org/agenda/2022/06/how-microplastics-get-into-the-food-chain/> (date last accessed: October 19, 2022).

components): (i) disrupt hormones, (ii) increase risk of chronic disease, and (iii) impair immune health.⁶

Given the ecological and health hazards brought about by the rampant use of plastics, the government needs to strengthen existing mechanisms to disincentivize the use of plastics through taxation. According to one study, a tax on plastics can lead to the reduction of the production and consumption of plastic products. The same study found that environmental taxation is a key ingredient to catalyze the transition to a circular economy.⁷

This bill seeks to move towards this direction by imposing a P100 excise tax for every kilogram of plastic bag removed from the place of production or released from the custody of the Bureau of Customs, subject to periodic increase every four years effective on January 1, 2026.

As one of the flagship measures of the Marcos Administration not only as a revenue-generation measure, but also as a mechanism to combat pollution, the immediate passage of this bill is earnestly sought.


SENATOR JOEL VILLANUEVA

⁶ February 18, 2022. What do we know about microplastics in food? Retrieved from <https://www.medicalnewstoday.com/articles/what-do-we-know-about-microplastics-in-food#The-dangers-of-microplastics> (date last accessed: October 19, 2022).

⁷ September 10, 2018. Plastic taxes vital to cut pollution, new study finds. Retrieved from <https://www.clientearth.org/latest/latest-updates/news/plastic-taxes-vital-to-cut-pollution-new-study-finds/> (date last accessed: October 19, 2022).



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PURPOSE SECTION 288 AND ADDING A NEW SECTION 150-C IN
THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

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

1 **SECTION 1. Short Title.** – This Act shall be known as the “*Plastic Bags Tax*
2 *Act.*”

3
4 **SEC. 2. Declaration of Policy.** – It is hereby declared the policy of the State
5 to protect and advance the right of the people to a balanced and healthful ecology in
6 accord with the rhythm and harmony of nature through the proper exercise of its power
7 of taxation.

8
9 **SEC. 3.** A new section designated as Section 150-C of the National Internal
10 Revenue Code of 1997, as amended, is hereby added to read as follows:

11 “SEC. 150-C. PLASTIC BAGS. –

12 (A) **RATE AND BASE OF TAX.** – THERE SHALL BE LEVIED,
13 ASSESSSED, AND COLLECTED AN EXCISE TAX IN THE
14 AMOUNT OF ONE HUNDRED PESOS (PHP100.00) FOR EVERY
15 KILOGRAM OF PLASTIC BAG REMOVED FROM THE PLACE OF
16 PRODUCTION OR RELEASED FROM THE CUSTODY OF THE
17 BUREAU OF CUSTOMS (BOC).
18

19 THE RATE OF TAX IMPOSED UNDER THIS SUBSECTION
20 SHALL BE INCREASED BY FOUR PERCENT (4%) EVERY YEAR,
21 EFFECTIVE ON JANUARY 1, 2026, THROUGH REVENUE
22 REGULATIONS ISSUED BY THE SECRETARY OF FINANCE.
23

1
2 "PLASTIC BAGS" SHALL REFER TO SECONDARY LEVEL
3 PLASTICS MADE OF SYNTHETIC OR SEMISYNTHETIC
4 ORGANIC POLYMER, SUCH AS "ICE", "LABO", OR "SANDO"
5 BAGS, WITH OR WITHOUT HANDLE, USED AS PACKAGING
6 FOR GOODS OR PRODUCTS.
7

8 (B) FILING OF RETURN AND PAYMENT OF EXCISE TAX ON
9 PLASTIC BAGS. – THE PROVISIONS OF SECTIONS 130 AND
10 131 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997,
11 AS AMENDED, ON THE FILING OF RETURN AND PAYMENT OF
12 EXCISE TAX SHALL APPLY.
13

14 (C) NON-PAYMENT OF EXCISE TAX – NON-PAYMENT OF THE
15 EXCISE TAX IMPOSED UNDER THIS ACT SHALL BE SUBJECT
16 TO THE PERTINENT PROVISIONS UNDER TITLES VIII AND X
17 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS
18 AMENDED, REGARDING COLLECTION OF UNPAID TAXES AND
19 IMPOSITION OF CORRESPONDING FINES, SURCHARGES,
20 PENALTIES, AND IMPRISONMENT OR CLOSURE OF
21 BUSINESS."
22

23 **SEC. 4.** Section 288 of the National Internal Revenue Code of 1997, as
24 amended, is hereby further amended to read as follows:
25

26 "SEC. 288. Disposition of Incremental AND OTHER Revenues. –
27

- 28 (A) xxx
29 (B) xxx
30 (C) xxx
31 (D) xxx
32 (E) xxx
33 (F) xxx
34 (G) xxx
35

36 (H) REVENUES FROM THE EXCISE TAX ON PLASTIC BAGS –
37 THE INCREMENTAL REVENUES FROM THE IMPOSITION OF THE EXCISE
38 TAX ON PLASTIC BAGS SHALL BE ALLOCATED TO PROGRAMS OF THE
39 DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR)
40 FOR THE IMPLEMENTATION OF REPUBLIC ACT NO. 9003, OTHERWISE
41 KNOWN AS THE 'ECOLOGICAL SOLID WASTE MANAGEMENT ACT OF
42 2000' IN MUNICIPALITIES.
43

44 THE GUIDELINES FOR THE AVAILMENT OF FUNDS BY
45 MUNICIPALITIES SHALL BE PREPARED BY THE DEPARTMENT OF
46 ENVIRONMENT AND NATURAL RESOURCES.
47

48 **SEC. 5. Implementing Rules and Regulations.** – Within sixty (60) days from
49 the effectivity of this Act, the Secretary of Finance shall, upon the recommendation of

1 the Commissioners of the Bureau of Internal Revenue and the Bureau of Customs
2 and, in consultation with the Department of Environment and Natural Resources, issue
3 and promulgate rules and regulations for the effective implementation of this Act.
4

5 **SEC. 6. Separability Clause.** – If any provision of this Act shall be held
6 unconstitutional or invalid, the other provisions not otherwise affected shall remain in
7 full force and effect.
8

9 **SEC. 7. Repealing Clause.** – All laws, decrees, executive orders, rules, and
10 regulations or parts hereof which are contrary to or inconsistent with any provision of
11 this Act are hereby repealed, modified, or amended accordingly.
12

13 **SEC. 8. Effectivity.** – This Act shall take effect fifteen (15) days after its
14 publication either in the *Official Gazette* or in at least one (1) newspaper of general
15 circulation.
16

17 Approved,