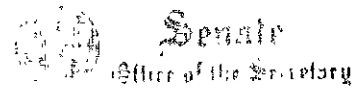


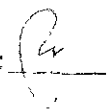
FIFTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



'11 SEP -8 19:57

SENATE

S.B. NO. 2959

RECEIVED BY: 

Introduced By: Senator Antonio "Sonny" F. Trillanes IV

It cannot be denied that the Petroleum industry is imbued with public interest. Virtually all aspects of the economic and social life of the nation are affected by the unabated increase in the prices of petroleum products.


Our problem is that, under the current deregulation law, Government is virtually helpless in checking the apparent abuses by petroleum industry players in increasing and/or refusing to decrease of petroleum products even when warranted by market forces.

The situation is aggravated by the lack of transparency in the formula used by petroleum companies in order to arrive at their prices and the apparent incompetence and/or indifference of the officials of the Department of Energy (DOE) in addressing the situation. The consuming public is virtually at the mercy of the oil industry cartel, which has gleefully taken advantage situation at the expense of entire populace.

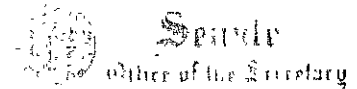
This Act is intended to set the allowable level of profit for companies in the petroleum industry and impose a "windfall profits tax" on petroleum companies in order to discourage them from engaging in excessive profiteering. The imposition of the tax is likewise intended as well as a mode of recouping the excess profits earned by said corporations at the expense of the public and of redistributing the said excess profits to the public in the form of public services.

It is the hope of the author that this will help "*moderate the greed*" of petroleum companies and provide much-needed relief to our overburdened citizens.

Hence, I earnestly request our colleagues both in the Senate and the House of Representatives to join me in pushing for the immediate passage of this proposed measure.


ANTONIO "SONNY" F. TRILLANES IV

FIFTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



11 SEP -8 19:57

SENATE

RECEIVED BY: *[Signature]*

S.B. NO. 2959

AN ACT
DECLARING THE PETROLEUM INDUSTRY TO BE AFFECTED WITH PUBLIC INTEREST,
SETTING THE ALLOWABLE LEVEL OF PROFIT FOR PETROLEUM COMPANIES,
IMPOSING A WINDFALL PROFITS TAX ON PETROLEUM COMPANIES AND FOR
OTHER RELATED PURPOSES

Introduced By: Senator Antonio "Sonny" F. Trillanes IV

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

1 **SECTION 1. Short Title.** – This Act shall be known as the: **"Petroleum**
2 ***Windfall Profits Tax Act of 2011*"**.

3

4 **Sec. 2. Statement of Policy.** – It is hereby declared the policy of the State to
5 consider the petroleum industry to be affected with public interest. Accordingly, the
6 State shall regulate the levels of permissible profits companies operating in the
7 petroleum industry shall be allowed to make and shall impose a windfall or excess
8 profit tax on profits made in excess thereof.

9

10 **Sec. 3. Permissible Level of Profit.** – Companies engaged in the petroleum
11 industry, including companies engaged in the importation, refining, processing,
12 transportation, storage, distribution and retail of petroleum products shall be

1 allowed to make a reasonable return on their capital or investment but not to
2 exceed Twelve Percent (12%) of their Paid-Up Capital per year.

3

4 **Sec. 4. Petroleum Windfall Profits Tax.** – Companies engaged in the
5 petroleum industry whose Net Profit exceed Twelve Percent (12%) of their Paid-Up
6 Capital per year shall pay a windfall profit tax at the following rates:

7

8 (a) Profits in excess of Twelve Percent (12%) but not more than Twenty
9 Percent (20%) of the Paid-up Capital of the Company– Fifty Percent
10 (50%) of the amount of Profit in excess of Twelve Percent (12%);

11

12 (b) Profits in excess of Twenty Percent (20%) of their Paid-up Capital of the
13 Company – Eighty Percent (80%) of the amount of Profit in excess of
14 Twenty Percent (20%).

15

16 It is understood that the Profits of petroleum companies not exceeding the threshold
17 amount of Twelve Percent (12%) of their Paid-up Capital shall be subject only to the
18 regular corporate income tax and other imposed by the National Internal Revenue
19 Code.

20

21 **SEC. 5. Implementing Rules and Regulations.** - The Bureau of Internal
22 Revenue (BIR), in consultation with the Department of Finance (DOF) shall
23 promulgate the necessary rules and regulations to implement this Act within thirty
24 (30) days from the enactment hereof.

1 **SEC. 6. Repealing Clause.** - All laws, decrees, executive orders, rules and
2 regulations, issuances or any part thereof inconsistent with the provisions of this Act
3 are hereby repealed or amended accordingly.

4

5 **SEC. 7. Effectivity.** - This Act shall take effect fifteen (15) days following its
6 publication in the *Official Gazette* or in at least two (2) national newspapers of
7 general circulation.

Approved,