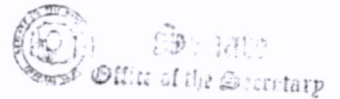


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



'18 MAY 10 P 1 :27

SENATE
S. No. 1798

RECEIVED

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Introduced by Senator Paolo Benigno "Bam" A. Aquino IV

AN ACT AMENDING THE NATIONAL INTERNAL REVENUE CODE (NIRC) OF 1997, AS AMENDED, BY PROVIDING THE AUTOMATIC SUSPENSION OF THE EXCISE TAX ON FUEL UNDER REPUBLIC ACT NO. 10963 OTHERWISE KNOWN AS THE "TAX REFORM FOR ACCELERATION AND INCLUSION (TRAIN)"

EXPLANATORY NOTE

Philippine laws must protect, serve and empower the Filipino people.

One major threat we need to protect our countrymen from is inflation – rising prices of goods and services that put a strain on the average Filipino's daily struggle.

By the end of 2017, over 10 million Filipino families still considered themselves poor. That is 10 million households struggling to provide food and shelter, striving to earn an education and desperately searching to find sufficient livelihood.

Higit sampung milyong pamilya ang nababalisa tuwing tumataas ang presyo ng bilingin tulad ng bigas, sardinas, kuryente at pamasaha.

More than just tightening their budget, these families will have to scramble for higher pay, for odd jobs and 'sidelines', and even micro-loans, just to cover basic household expenses.

With so many Filipinos living in the fringes, the government needs to play an active role in managing inflation and ensure that our countrymen can survive the rise in prices.

As such, this measure seeks to protect underprivileged Filipino families from increasing fuel prices, and its effect on the prices of goods and services, by suspending the excise tax on fuel under TRAIN when the average inflation rate surpasses the annual inflation target range over a three-month period.

Should the average inflation rate stabilize and fall below the annual target for three consecutive months, then the Department of Finance (DOF) will have the prerogative to lift the suspension and re-impose the excise tax on fuel based on its rate at the time of suspension.

While we have little control over global fuel prices, the imposition of excise taxes is in our hands.

It is our responsibility to be flexible and responsive when the weight of inflation becomes too heavy for the poor Filipino families to bear.

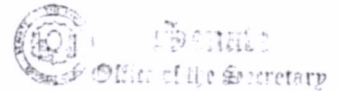
Progress cannot be built at the expense of hungry Filipinos with little opportunity to improve their day-to-day lives.

Our challenge is to strike a balance between our macroeconomic goals and providing relief and support to Filipinos with the least in our society; and with open minds, open hearts, creativity and innovation, I believe we can find that delicate balance and create a prosperous future for all.

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

Bern Aquino

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

1 Section 1. A new section designated as Section 148-B under Chapter 1, Title
2 VI of the National Internal Revenue Code (NIRC) of 1997, as amended by Republic
3 Act (RA) No. 10963, otherwise known as the "Tax Reform for Acceleration and
4 Inclusion (TRAIN)," is inserted to read as follows:

5 **"Section 148-B. AUTOMATIC SUSPENSION OF THE EXCISE TAX**
6 **ON FUEL. - THE IMPOSITION OF EXCISE TAX ON FUEL UNDER**
7 **RA NO. 10963 (TRAIN) SHALL BE AUTOMATICALLY**
8 **SUSPENDED WHEN THE AVERAGE INFLATION RATE FOR A**
9 **THREE MONTH PERIOD EXCEEDS THE ANNUAL INFLATION**
10 **TARGET RANGE THAT WAS SET BY THE DEVELOPMENT BUDGET**
11 **COORDINATION COMMITTEE (DBCC) AND THE BANGKO**
12 **SENTRAL NG PILIPINAS (BSP): PROVIDED, HOWEVER, THAT**
13 **THE EXCISE TAX ON FUEL PRIOR TO THE EFFECTIVITY OF RA**
14 **10963 (TRAIN) SHALL REMAIN IN FORCE DURING THE**
15 **PERIOD OF SUSPENSION.**

1 **IN THE EVENT THAT THE INFLATION RATE FALLS BELOW THE**
2 **ANNUAL INFLATION TARGET FOR THREE CONSECUTIVE**
3 **MONTHS, THE DEPARTMENT OF FINANCE MAY LIFT THE**
4 **SUSPENSION OF THE EXCISE TAX ON FUEL UNDER RA NO.**
5 **10963 (TRAIN) UPON RECOMMENDATION OF THE DBCC. THE**
6 **RATE OF EXCISE TAX ON FUEL SHALL BE RE-IMPOSED BASED**
7 **ON ITS RATE AT THE TIME OF SUSPENSION.”**

8 *Sec. 2. Implementing Rules and Regulations.* — Within thirty (30) days from
9 the effectivity of this Act, the Secretary of Finance shall, upon recommendation of
10 the Commissioner of Internal Revenue, promulgate the necessary rules and
11 regulations for the effective implementation of this Act.

12 *Sec. 3. Separability Clause.* — If any provision of this Act is declared invalid or
13 unconstitutional, the other provisions hereof which are not affected thereby shall
14 continue to be in full force and effect.

15 *Sec. 4. Repealing Clause.* — Any law, presidential decree or issuance,
16 executive order, letter of instruction, administrative order, rule or regulation contrary
17 to or inconsistent with any provision of this Act is hereby repealed or modified
18 accordingly.

19 *Sec. 5. Effectivity.* — This Act shall take effect fifteen (15) days after its
20 publication in the Official Gazette or a newspaper of general circulation.

Approved,