

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

SENATE  
S. No. 91



Introduced by Senator Aquilino “Koko” Pimentel III

AN ACT  
ABOLISHING THE TRAVEL TAX

EXPLANATORY NOTE

A Filipino’s right to travel abroad is burdened with the imposition of a travel tax in the following amounts:

|  | First Class<br>Passage | Economy Class<br>Passage |
|--|------------------------|--------------------------|
| Full Travel Tax  | P2,700.00              | P1,620.00                |
| Standard Reduced Travel<br>Tax   | P1,350.00              | P810.00                  |
| Privileged Reduced Travel<br>Tax for a Dependent of an<br>Overseas Filipino Worker | P400.00                | P300.00                  |

The travel tax was originally imposed to curtail unnecessary foreign travels and to conserve foreign exchange. Subsequently, the travel tax was used to generate much needed funds for tourism-related programs and projects especially for the development and enhancement of the country’s competitiveness as a major tourist destination.

The undersigned believes that the national government should not shift the burden of improving our substantially inadequate tourism facilities and infrastructure to the regular traveling Filipinos, who are already paying a huge chunk of their salary to the national government via income tax. They should not be made to pay for the failure of the national government to provide state of the art tourism facilities and infrastructure.

Moreover, on November 4, 2002, the *ASEAN Tourism Agreement* was signed with the Philippines as one of the signatories. *Article 2(3) on Facilitation of Intra-ASEAN and International Travel* provides for the removal of travel levies and travel taxes on nationals of ASEAN Member States. It has been almost fourteen years since the Philippines signed the *ASEAN Tourism Agreement* but, as of date, travel taxes are still imposed upon individuals of ASEAN Member States.

Further, this bill intends to not only abolish travel taxes for individuals traveling to other ASEAN Member States but to totally remove the imposition of travel tax for individuals who will depart to any other country around the globe.

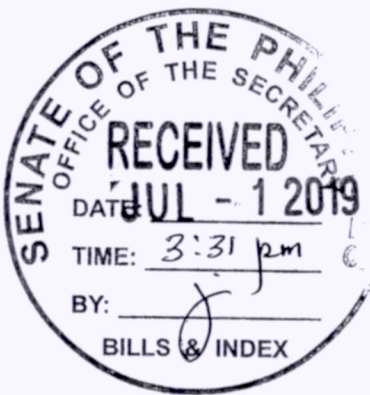
Since *Section 73 of R.A. No. 9593* provides that the national government shall look for alternative funding sources for the programs funded by the travel tax in the event of a phase out of travel tax collection following international agreements, this bill provides that the Tourism Infrastructure and Enterprise Zone Authority (TIEZA), which receives fifty percent (50%) of the proceeds from the travel tax collections, the Higher Education Development Fund under the Commission on Higher Education (CHED), which receives forty percent (40%) from the total gross collections of travel tax, and the National Commission for Culture and the Arts (NCCA), which receives ten percent (10%) share shall now directly receive the necessary funding from the General Appropriations Act (GAA).

It is also the undersigned's view that the percentages of travel tax allocated for CHED, even if the law states that priority should be given to tourism-related educational programs and courses, and for NCCA, are not necessary since these are not connected to traveling.

To remove the burden of travel tax, the passage of this measure is earnestly requested.

  
AQUILINO "KOKO" PIMENTEL III





SENATE  
S. No. 91

Introduced by Senator Aquilino “Koko” Pimentel III

AN ACT  
ABOLISHING THE TRAVEL TAX

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

**SECTION 1. *Repeal.*** – Provisions of laws relating to the authority to collect or receive funding from the collection of Travel Tax, including but not limited to, *Republic Act No. 1478, as amended, Republic Act No. 7722, and Republic Act No. 9593,* are hereby repealed.

**SEC. 2. *Effect of Repeal.*** – The collection of travel taxes will be prohibited after the effectivity of this Act. For flights that are scheduled on or after the effectivity of this Act, the travel taxes paid shall be refunded immediately.

**SEC. 3. *Appropriations.*** – The amount necessary for the programs funded by the travel tax collections and for the implementation of this Act shall be charged to the respective appropriations under the current General Appropriations Act (GAA) of the Department of Tourism for the Tourism Infrastructure and Enterprise Zone Authority (TIEZA), the Commission on Higher Education (CHED) for the Higher Education Development Fund, and the National Commission for Culture and the Arts (NCCA) for the National Endowment Fund for Culture and the Arts. Thereafter, such sums as may be necessary shall be included in the annual GAA.

1       **SEC. 4. *Implementing Rules and Regulations.*** – Within sixty (60)  
2 days from the approval of this Act, the TIEZA shall formulate the  
3 implementing rules and regulations in connection with the immediate  
4 refund provided in Section 2 hereof.

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

9  
10       **SEC. 6. *Effectivity.*** – This Act shall take effect fifteen (15) days  
11 after its publication in the Official Gazette or in a newspaper of general  
12 circulation.  
13

*Approved,*