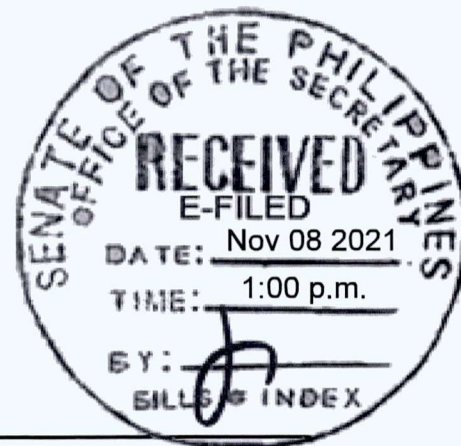


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*Third Regular Session* )

SENATE  
S. No. **2445**



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**Introduced by Senator Grace Poe**

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

*Explanatory Note*

According to the Philippine Statistics Authority (PSA) the Filipino family spends P239,000 annually.<sup>1</sup> Around 7.9% of the average Filipino family's budget is allocated for fuel, water, and other utilities.<sup>2</sup> Previous studies have shown that a 10% increase in fuel prices can cause the number of poor Filipinos to increase.<sup>3</sup>

Rising fuel prices also have a ripple effect on food prices due to the higher cost of transportation. Finally, PUV drivers are directly affected, as they cannot increase fares to keep up with fuel prices without the approval of the Land Transportation Franchising and Regulatory Board (LTFRB).

Gasoline and diesel prices have been rising in recent months. The fuel monitoring system of the Department of Energy (DOE) reveals that the price of gasoline in Metro Manila has an average low of P58.55 and an average high of P70.52.<sup>4</sup>

The high prices are tied to the rising price of oil and finished products on the international markets. We are a net importer of fuel, which means that we must take the price that is

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<sup>1</sup> Philippine Statistics Authority (PSA). 2019. "Annual Family Income is Estimated at Php 313 Thousand, on Average, In 2018". Accessed at <https://psa.gov.ph/content/annual-family-income-estimated-php-313-thousand-average-2018>.

<sup>2</sup> *Ibid.* "Expenditure Pattern for the Bottom 30 Percent and Upper 70 Percent Per Capita Income Group, at Current Prices, Philippines: 2015".

<sup>3</sup> Asian Development Bank (ADB). "Has Inflation hurt the Poor? Regional Analysis in the Philippines". ERD Working Paper Series No. 112, May 2008.

<sup>4</sup> Department of Energy (DOE). Fuel Price Monitor for the Week of October 24.

dictated by the market. Currently, the Singapore Mean of Platts (MOPs)- which is the reference used for pricing fuel in the country- has risen to \$80 from \$73 at the start of the month.<sup>5</sup>

However, taxes also add a significant amount to the price of fuel. On one hand, the excise tax on regular and unleaded premium gasoline- pursuant to the Tax Reform for Acceleration and Inclusion Act (TRAIN)- is currently set at P10.00 per liter of volume capacity. On the other hand, the excise tax on diesel fuel oil is set at P6.00. A Value-Added Tax (VAT) of 12% is also imposed on the sale of gasoline and diesel.

There have been calls to suspend the collection of excise taxes on gasoline and diesel due to the rising pump prices. However, 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.

In line with the discussion above, 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.

Immediate approval of this measure is eagerly sought.



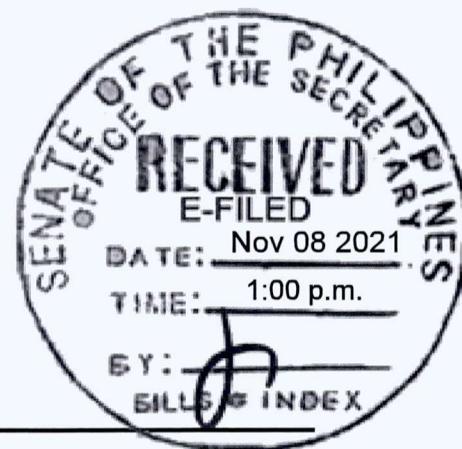
**GRACE POE**

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<sup>5</sup> Australian Institute of Petroleum. Weekly Petroleum Price reports from October 1 to October 24.

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**AN ACT**  
**PROVIDING FOR THE AUTOMATIC SUSPENSION OF EXCISE TAXES ON**  
**REGULAR GASOLINE, UNLEADED PREMIUM GASOLINE, AND DIESEL,**  
**AMENDING FOR THE PURPOSE SECTION 148 OF THE NATIONAL 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. *Short Title.* — Section 148 of the National Internal Revenue Code  
2 (NIRC), as amended, is hereby further amended to read as follows:

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

7 x x x

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

14 x x x"



1           SEC. 2. *Repealing Clause.* — All laws, decrees, orders, rules and regulations or  
2 other issuances or parts thereof inconsistent with the provisions of this Act are hereby  
3 repealed and modified accordingly.

4           SEC. 3. *Implementing Rules and Regulations.* — Such rules and regulations as may  
5 be necessary to implement this Act shall be issue within thirty (30) days of its effectivity.

6           SEC. 4. *Effectivity.* —This Act shall take effect fifteen (15) days after its publication  
7 in the Official Gazette.

Approved.