

**TWENTIETH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES**)
First Regular Session)

25 JUL -2 P4:10

SENATE

S. No. 5

RECEIVED

Introduced by SENATOR JV EJERCITO

**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

In the recent years, the country has constantly experienced fluctuating fuel oil prices driven by various global market factor. From January 2024 to January 2025, gasoline prices in the Philippines showed significant volatility, peaking at ₱70.53 per liter in April 2024 before gradually declining to ₱63.15 per liter by January 2025.¹

Year-to-date, however, gasoline already has a total net increase of P10.40 per liter, P11.85 per liter for diesel, and P4.05 per liter total net increase for kerosene, according to the Department of Energy Oil Monitor as of 24 June 2025. Meanwhile, the excise tax rates on petroleum products cost P10 per liter for gasoline, while diesel and kerosene are subjected to P6 per liter and P3 per liter in excise tax, respectively, as adjusted under Republic Act No. 10963 or the Tax Reform for Acceleration and Inclusion (TRAIN) Law.

¹ Excise Tax on Petroleum Products in the Philippines. Accessed through:
<https://cpbrd.congress.gov.ph/wp-content/uploads/2025/05/FF2025-42-EXCISE-TAX-ON-PETROLUUM-PRODUCTS-IN-THE-PHILIPPINES.pdf>

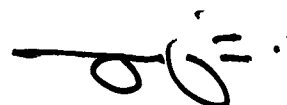
The government assures the public of its contingency measures and allocation for fuel subsidies despite the call for the suspension of taxes on petroleum products. For 2025, there is a P2.5 Billion subsidy for public utility vehicle drivers and operators and an additional P600 Million for farmers and fisherfolk under the General Appropriations Act. However, our constituents need a practical and immediate solution when faced with unforeseen events that impact their daily lives and livelihood.

Under the TRAIN Law, the Department of Finance may only recommend the suspension of the increase of the excise tax on fuels but not the imposition of the tax itself. In order to suspend the imposition of excise tax on petroleum products, immediate legislative action is needed to address the continuing increase in oil prices.

This proposed measure seeks to automatically suspend the imposition of excise tax on regular gasoline, unleaded premium gasoline, and diesel fuel oil when the average Dubai crude oil price based on Mean of Platts Singapore reaches or exceeds Eighty dollars (USD 80) per barrel.

By establishing a clear and automatic trigger, this measure provides timely and predictable relief in times of extraordinary fuel price surges. It is a crucial step toward easing the burden on our constituents, especially low-income households and small businesses, who are most affected by fuel cost volatility.

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



JV EJERCITO

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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.** — 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
4 shall be collected on refined and manufactured mineral oils and
5 motor fuels, the following excise taxes which shall attach to the
6 goods hereunder enumerated as soon as they are in existence as
7 such:

8 x x x

9 **"NOTWITHSTANDING THE PROVISION ABOVE,**
10 **THE EXCISE TAX ON REGULAR GASOLINE, UNLEADED**
11 **PREMIUM GASOLINE, AND DIESEL FUEL OIL AS IMPOSED**
12 **IN THIS SECTION SHALL BE AUTOMATICALLY**
13 **SUSPENDED WHEN THE AVERAGE DUBAI CRUDE OIL**
14 **PRICE BASED ON MEAN OF PLATTS SINGAPORE REACHES**
15 **OR EXCEEDS EIGHTY DOLLARS (USD 80) PER BARREL."**

1 **Sec. 2. *Implementing Rules and Regulations.*** — Such rules and
2 regulations as may be necessary to implement this Act shall be issued within
3 thirty (30) days of its effectivity.

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

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

9 Approved.