



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Twentieth Congress
First Regular Session



HOUSE BILL NO. **1578**

Introduced by Representative Allan U. Ty

EXPLANATORY NOTE

Republic Act No. 10963, also known as the “*Tax Reform for Acceleration and Inclusion (TRAIN) Law*”, which further amended the National Internal Revenue Code (NIRC), as amended, imposed increased excise taxes on various petroleum products — including liquefied petroleum gas (LPG), gasoline, and diesel — starting in 2018. While originally designed to fund infrastructure and social development programs, these taxes have added a heavy burden on Filipino households, transport operators, and small businesses, especially during times of high inflation, economic uncertainty, and sluggish income growth.

This bill seeks to remove the continued application of excise taxes on LPG, gasoline, and diesel, to zero pesos (Php 0.00) - with the rates adjustable by the legislature through subsequent amendments of the law when economic conditions change - in view of the escalating cost of living and the broad-based impact of these fuel products on every Filipino.

LPG is used by majority of Filipino households for cooking, particularly in low and middle-income homes. Gasoline and diesel power the transport of people and goods, influence fare prices, and determine the cost structure of almost every commodity in the country — including food, electricity, and basic necessities.

The setting of these excise taxes to zero pesos (Php 0.00) will have a direct and immediate effect: lower transport fares, cheaper food prices, reduced electricity costs (especially for diesel-run gensets in remote areas), and lower day-to-day expenses for families. Unlike government *ayuda* programs—which are often delayed, politicized, and limited in scope — this proposal cuts through bureaucracy and gives relief directly to the people by reducing the prices of goods and services at their source.

By making the cost of fuel more affordable, the bill also aligns with the Marcos administration's push for immediate solutions to ease the impact of inflation and increase consumer welfare. This complements long-standing development goals of poverty alleviation and economic participation for the masses, goals also promoted by the previous Presidents, through landmark reforms like free college tuition, universal healthcare, and rationalizing the tax system to create an economy that is more attractive to, and conducive for, investments.

Ripple effects of this proposal will stimulate productivity across key sectors:


- Transport sector: Fuel is the primary cost driver. Lower fuel prices mean lower fares, helping commuters and boosting economic activity.
- Agriculture and Food: Cheaper transport reduces farm-to-market costs and food prices.
- Small Businesses: From tricycle drivers to *sari-sari* store owners, lower fuel costs increase margins and disposable income.
- Energy sector: Lower diesel costs reduce generation charges in off-grid areas.

The Department of Finance previously estimated that removing excise taxes on all petroleum products could result in P131 billion in forgone revenue annually. While significant, this is offset by the direct benefits that will be enjoyed by Filipinos through all socioeconomic segments, and is expected to create a stimulus for a more productive economy through which the government can earn additional revenues.

This bill takes the principled stance that relief should not be a favor granted through political discretion, but a structural change in how the government directly and immediately supports its citizens: by lowering barriers and reducing costs at the source, rather than relying on dole-outs that require large administrative overhead and are vulnerable to abuse.

In sum, this measure offers equitable, efficient, and immediate relief to Filipino families, while still allowing the government to pursue reforms in tax collection, spending discipline, and sustainable financing in other areas. We must recalibrate our priorities: let us give Filipinos room to breathe, room to move, and room to build better lives.

For these reasons, the swift passage of this bill is earnestly sought.



ALLAN U. TY
LPGMA Partylist



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AN ACT
PROVIDING FOR A ZERO-PESO EXCISE TAX FOR LIQUEFIED
PETROLEUM GAS (LPG), DIESEL AND GASOLINE, AMENDING FOR THE
PURPOSE SECTION 148 OF NATIONAL INTERNAL REVENUE CODE
(“NIRC”) OF 1997, AS AMENDED

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

1 SECTION 1. Section 148 of the NIRC, as amended, is hereby further amended
2 to read as follows:

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

7 “xxx.”

8 “Effective January 1, 2020

“(a) xxx;

“xxx”

“(f) Unleaded premium gasoline, per liter of volume capacity, Ten pesos (P10.00);

“xxx.

“(i) Diesel fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, Six pesos (P6.00);

“(j) Liquefied petroleum gas, per kilogram, Three pesos (P3.00),: *Provided*, That liquified petroleum gas when used as raw material in the production of petrochemical products, subject to the rules and regulations to be promulgated by the Secretary of Finance, per kilogram, zero (P0.00): *Provided, finally*, that the liquified petroleum gas used for motive power shall be taxed at the equivalent rate as the excise tax on diesel fuel oil;

EFFECTIVE JANUARY 1, 2026

“(A) UNLEADED PREMIUM GASOLINE, PER LITER OF VOLUME CAPACITY, **ZERO PESOS (P0.00);**

“(B) DIESEL FUEL OIL, AND ON SIMILAR FUEL OILS HAVING MORE OR LESS THE SAME GENERATING POWER, PER LITER OF VOLUME CAPACITY, **ZERO PESOS (P0.00);**

“(C) LIQUEFIED PETROLEUM GAS, PER KILOGRAM, **ZERO PESOS (P0.00);**

“x x x.”

1 SEC. 2. All laws, decrees, executive orders, proclamations, rules and
2 regulations, or parts thereof, inconsistent with the provisions of this Act are also hereby
3 amended or repealed accordingly.

4 SEC. 3. This Act shall take effect fifteen (15) days after its publication in the
5 *Official Gazette* or in a newspaper of general circulation.

6 Approved,