

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 3874



Introduced by **Representative PABLO JOHN F. GARCIA**

EXPLANATORY NOTE

If to travel is a right (Section 6, Article III, 1987 Constitution), why is its exercise being taxed?

The travel tax under Republic Act No. 1478 was enacted in 1956, when the right to travel was not expressly provided under the 1935 Constitution, unlike today, when the right may only be impaired "in the interest of national security, public safety and public health, as may be provided by law." (*Id.*) It was aimed at curtailing unnecessary foreign travels and to shore up foreign exchange. It was enacted at a time when travel was a luxury available only to the rich.

It would be an understatement to say that times have drastically changed since.

Today, with the availability of cheap airline tickets from budget airlines, and inexpensive accommodations through online marketplaces and home-sharing platforms, travel is no longer the exclusive domain of the rich. Indeed, in the last two decades, we have seen a marked increase in foreign travel across all classes, especially as the increasingly competitive jobs market requires exposure to foreign trends, cultures and ideas. It would not be an overstatement to say, in fact, that foreign travel is increasingly becoming a necessity.

In fact, as a signatory to the 4 November 2002 Association of Southeast Asian Nations (ASEAN) Tourism Agreement, the Philippines—recognizing these trends—committed itself to repealing travel levies and taxes on nationals of ASEAN member states traveling to another state within the ASEAN.

Taxing foreign travel is unreasonably burdensome on citizens and residents. The income from which they obtained funds to purchase airline tickets would already have been subject to income taxes. The sale of the airline ticket would already have been subject to taxes which are passed on to the passenger. Furthermore, the passenger is made to pay terminal fees during every trip. For a guaranteed right, therefore, foreign travel would appear to be the most overtaxed and overburdened.

It is time to repeal the travel tax and to make the constitutionally guaranteed right to travel unencumbered and unimpeded and more accessible to every Filipino.

The immediate passage of this bill, therefore, is earnestly sought.


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AN ACT
ABOLISHING THE TRAVEL TAX

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

Section 1. It shall be unlawful to impose, collect, levy or require the payment of any tax or fee on the travel by any citizen or legal resident of the Philippines to any destination within or outside the country.

Section 2. The provisions of law authorizing the collection of travel tax, including, but not limited to, Presidential Decree No. 1183, as amended, as well as all laws, decrees, rules and regulations inconsistent herewith, are hereby repealed accordingly.

Section 3. The amounts necessary for the programs heretofore funded by the travel tax 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, the Commission on Higher Education for the Higher Education Development Fund, and the National Commission for Culture and the Arts for the National Endowment Fund for Culture and the Arts. Thereafter, such sums as may be necessary for these programs shall be included in the GAA.

Section 4. Should any provision or part of this Act be declared unconstitutional, the other provisions or parts not affected thereby shall remain valid and effective.

Section 5. This Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Approved,