



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
*First Regular Session*

House Bill No. 6945



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**Introduced by Representative Sharon S. Garin**

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### **EXPLANATORY NOTE**

Undeniably, the global Covid-19 outbreak gravely affecting the Philippines, among others, has caused severe depletion of government funds when the entire Luzon region was placed under Enhanced-Community Quarantine (ECQ). Even after the lifting of the ECQ, there is no certainty that everything will return into situation before the ECQ implementation for the government and its economic activities.

This measure seeks to raise revenue through the use, exploitation and supplementation of the Philippine natural resources. Philippines is among the countries in the Southeast Asian countries that lacks or with less taxes on environmental resources.

Environmental taxes, also known as green taxes, is among the revenues sought by the government, not only to raise revenue, but would also help preserve its natural and rich environmental resources.

This measure seeks to impose taxes on all kinds of pollutants with the natural resources available in the Philippines. From air, water, biodiversity, energy, land, and other environmental conservation are sought to be protected from this bill with the end view of raising revenue to fill the gap of the much-needed funds for government projects and future economic sustainability.

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

**SHARON S. GARIN**  
*Partylist – AAMBIS-OWA*



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**AN ACT**  
**ESTABLISHING ENVIRONMENTAL TAXATION FOR THE PROTECTION**  
**OF PHILIPPINE NATURAL RESOURCES**

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

**SECTION 1. Short Title.** – This Act shall be known as “The Environmental Taxes Law of the Philippines.”

**SEC. 2. Declaration of Policy.** – It shall be the policy of the State to protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature. At the same time, it is the State’s policy to raise revenue through the use, exploitation and supplements of natural resources for the much-needed funds of the government.

**SEC. 3. Taxes on Transportations** – There shall be levied, collected and paid for each taxable year on the following transportations-related transactions:

1. **Registration Taxes on New and Second-hand Vehicles** – the following rates shall be levied collected and paid for the newly-acquired vehicles emitting carbon dioxides (CO<sub>2</sub>s):

Under 138 CO <sub>2</sub>	Exempt
138 CO <sub>2</sub>	3,000
145 CO <sub>2</sub>	11,000



160 CO <sub>2</sub>	54,000
170 CO <sub>2</sub>	122,000
180 CO <sub>2</sub>	235,000
190 CO <sub>2</sub>	412,000
200 CO <sub>2</sub>	600,000
213 and above CO <sub>2</sub>	1,100,000

For the acquisition of second hand vehicles, there shall likewise be levied, collected and paid tax on re-registration of the said vehicles based on the engine power:

<b>Horsepower</b>	<b>Amount</b>
Under 10	Exempt
10 up to 11	5,000
12 up to 14	15,000
Greater than 14	50,000

2. **Congestion Tax** – There shall be levied, collected and paid a congestion tax on the heavy-traffic roads identified by the Metro Manila Development Authority (MMDA) from 7 o'clock in the morning to 6 o'clock in the evening from Monday to Friday of the week the amount of five hundred (P500.00) daily to be paid by every vehicle passing through the congested roads on top of the fees that may be imposed by the local government unit (LGUs).

**SEC. 4. Tax on Energy** - There shall be levied, collected and paid for each taxable year on the following energy-related transactions:

**1. Tax on Transport Fuels.** – There shall be levied, collected and paid by the owner of the vehicles using fuels emitting carbon dioxide in excess of the allowable carbon dioxide, as may be determined by the Department of Transportation (DOTr), a fixed amount of One Thousand Pesos (P1,000.00) every month from the time of detection of excessive emission.

**2. Tax on Heating Fuels** – There shall be levied, collected and paid by the owner of the vehicles using heating fuels an amount of Two Thousand Pesos (P2,000) every month.

**SEC. 5. Air Pollution Tax** – There shall be levied, collected and paid by any person or entity causing air pollution in the following manner:

1. Stationary sources emitting excessive carbon dioxide (CO<sub>2</sub>) by shall annually pay the following applicable rates:

Level of Pollutants	Amount
12,600 and above Particulate Matter (PM <sub>10</sub> )	800,000
4,200 and above Sulfur Dioxide (SO <sub>2</sub> )	270,000
3,300 and above Nitrogen Oxides (NO <sub>x</sub> ) and volatile organic compounds	180,000

For purposes of this section, stationary sources shall include, but not limited to, factories, refineries, boilers, and power plants, emitting variety of air pollutants.

**2. Ticket Tax** – It shall be levied on carriage of passengers on board fixed-wing and rotary-wing aircraft. For domestic flights, a fixed amount of five hundred pesos (P500) while for international flights, a fixed amount of one thousand five hundred pesos (P1,500) shall be paid by the passengers.

**SEC. 6. Tax on Water Resources** – There shall be levied, collected and paid on the use of water resources in the following manners:

**1. Water Extraction Tax** – an amount equivalent to fifteen percent (15%) of the allowable water extraction, as may be determined by the Department of Environment and Natural Resources (DENR), shall be paid by the person extracting water in any form from the land, regardless of the ownership, before the extraction shall be allowed.

**2. Water Supply Tax** – Any person receiving supply of water from a forest for commercial use shall pay an amount equivalent to 15% of the total sales of water supplied to its clients or customers.

**3. Waste Water Tax** – An amount equivalent to 15% of the total amount of consumption shall be levied, collected and paid by any person committing excessive water consumption, either for residential, commercial or industrial



use. The DENR shall determine the allowable consumption per residence, commercial or industrial in cubic meters per month.

**SEC. 7. Tax for the Biodiversity Services** – There shall be levied, collected and paid for the following services of biodiversity resources:

**1. Conservation Tax** – Any person who enjoys the viewing of any identified national heritage, national parks, caves, falls, zoos, and other resources that requires conservation shall pay the amount of four hundred pesos (P400) for non-Filipinos while Filipino tourists shall pay the amount of one hundred pesos (P100). Educational, charity and religious activities shall be exempt from this provision.

**2. Fishery Management Tax** – there shall be levied, collected, and paid on fishing rights, operating both inside and outside the Exclusive Economic Zone (EEZ) of the Philippines conducted or established by fishing companies the amount equivalent to 15% of the gross profit.

**3. Non-compliance Tax** – there shall be levied, collected and paid for failure to comply in prohibiting the cutting of the trees and the use of plastic bags. Any person or entity shall be imposed a fixed tax rate of P500 per plastic used and P1000 per illegally cutting of a tree pursuant to any existing laws, rules, regulations or ordinances.

**SEC. 8. Taxes on Waste Management** – there shall be levied, collected and paid for the following waste managements:

**1. Landfill tax** – an amount of Fifty Thousand Pesos (P50,000) annually shall be paid as landfill tax by the landfill manager, or owner, or operator. For ISO duly accredited, an amount of Thirty Thousand Pesos (P30,000) shall be collected annually.

**2. Incineration tax** – an amount of Five Hundred Pesos (P500.00) per metric ton shall be collected from the operator of incineration activity.

**3. Pay-as-you-throw schemes (PAYT)** – any person dumping waste shall pay the following tax rates:

Organic Waste – P500

Biowaste - P300

Other Waste - P800

**SEC. 9. Tax on Resources** – there shall be levied, collected and paid on the following exploration of natural resources:

**1. Signature Bonus Tax** – executor government agreements with any person for the exploration of any kind of resources shall have a signature bonus tax amounting to 15% of the contract price.

**2. Aggregate Tax** – any person pay the 15% of the total price shall be levied on commercial exploitation of rock, sand and gravel. The tax imposed shall still be applied even when the aggregate is extracted in the course of an infrastructure project.

**SEC. 10. Tax on the use of Chemicals in Agriculture.** – There shall be levied, collected and paid on the following methods used in agriculture sectors:

**1. Pesticide, Chemical Fertilizer and Nitrogen Tax** – Any person engaged in the business of agriculture using pesticide, chemical fertilizers and nitrogen in growing their goods and products shall be imposed an amount of 15% tax rate on the price of the sales.

**SEC. 11. Indexation of Tax Rates.** – Every three (3) years after the effectivity of this Act, the Secretary of Finance shall adjust the amount herein stated to its present value using the Capital Price Index (CPI) as published by the Philippines Statistis Authority (PSA).

**SEC. 12. Implementing Rules and Regulations.** – To carry out the provisions of this Act, the implementing rules and regulations shall be promulgated by the DENR and DOF not later than ninety (90) days after the approval of this Act.

**SEC. 13. Separability Clause.** – Should any provision of this Act or any part thereof be declared invalid, the other provisions, so far as they are separable from the invalid ones, shall remain in force and effect.

**SEC. 14. Repealing Clause.** – All law, decrees, orders, and issuances, or portions thereof, which are inconsistent with the provisions of this Act, are hereby repealed, amended or modified accordingly.

**SEC. 15. Effectivity.** – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspaper of general circulation.

Approved,