

Republic of the Philippines
THE HOUSE OF REPRESENTATIVES
Quezon City



SEVENTEENTH CONGRESS
First Regular Session

House Resolution No. 1784

Introduced by Rep. ARNOLFO A. TEVES, JR.

RESOLUTION

URGING THE HOUSE OF REPRESENTATIVES COMMITTEEN ON TRANSPORTATION TO INVESTIGATE IN AID OF LEGISLATION THE TAX LIABILITIES OF CEBU AIR, INC., OPERATING UNDER THE TRADE NAME CEBU PACIFIC AIR, IN THE COLLECTION OF TERMINAL FEES.

WHEREAS, CEBU AIR, INC. is one of the fastest growing airline companies in the Philippines;

WHEREAS, in pursuit of encouraging air travel, Cebu Air, Inc., operating under the trade name Cebu Pacific Air, came up with a catchy and famous slogan which states: "It's Time Every Juan Flies."

WHEREAS, owing to a mix of marketing gimmicks, the number of air travellers rose significantly. Unfortunately, abuse and avarice corrupted Cebu Air, Inc.'s marketing model to the great prejudice of the travelling public.

WHEREAS, with the advent of *e-commerce*, online transactions are made a convenient mode of booking tickets. Monies collected by Cebu Air, Inc., include amounts such as but not limited to: undefined web charges, pre-checked insurance options, and terminal fees;

WHEREAS, on the matter of terminal fees, Cebu Air Inc., collects them regardless of whether the passenger is able to travel or not. While, there is not much concern, when passengers are able to travel, dilemma comes in case the passenger fails to take the flight.

WHEREAS, in previous committee hearings before congress, the management of Cebu Air Inc. declared that unclaimed and unreturned terminal fees are held by them *in trust* for the passenger. This information deserves scrutiny as it has both tax-related and civil law-related implications.

WHEREAS, there is a need for the Bureau of Internal Revenue to inspect the books of accounts of Cebu Air, Inc. to verify the matter, and to consequently determine the tax implications of unreturned or unclaimed terminal fees.

WHEREFORE, RESOLVED AS IT IS HEREBY RESOLVED for the House of Representatives Committee on Transportation, to investigate in aid of legislation the aforementioned incidents and to come out with legislation as a necessary consequence.

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