COMMITTEE REPORT NO. 1322

Submitted by the Committee on Ways and Means on November 14, 2021

Re: House Bill No. 10488

Recommending its approval in substitution of House Bills Numbered 243, 10411, 10426, and 10438 and House Resolutions Numbered 2318 and 2320

Sponsors: Representatives Joey Sarte Salceda, Sharon S. Garin, Michael T. Defensor, Rufus B. Rodriguez, Carlos Isagani T. Zarate, Jesus “Bong” C. Suntay, and Mark O. Go

Mr. Speaker:

The Committee and Ways and Means to which were referred House Bill No. 243, introduced by Reps. Carlos Isagani T. Zarate, Ferdinand R. Gaite, Eufemia C. Cullamat, France L. Castro, Arlene D. Brosas and Sarah Jane I. Elago, entitled:

“AN ACT REVERSING REGRESSIVE AND ANTI-POOR TAXATION, REPREALING FOR THE PURPOSE CERTAIN SECTIONS OF REPUBLIC ACT 10963 OTHERWISE KNOWN AS TAX REFORM FOR ACCELERATION AND INCLUSION ACT”

House Bill No. 10411, introduced by Rep. Michael T. Defensor, entitled:

“AN ACT PROVIDING FOR THE IMMEDIATE SUSPENSION OF THE INCREASE IN EXCISE TAXES ON PETROLEUM PRODUCTS IMPOSED BY REPUBLIC ACT NO. 10963, OTHERWISE KNOWN AS THE TAX REFORM FOR ACCELERATION AND INCLUSION (TRAIN) LAW”

House Bill No. 10426, introduced by Rep. Rufus B. Rodriguez, entitled:
“AN ACT SUSPENDING THE COLLECTION OF EXCISE TAX ON FUEL PRODUCTS BASED ON THE RATES PROVIDED BY SECTION 43 OF REPUBLIC ACT 10963 FROM JANUARY 1, 2022 TO DECEMBER 31, 2025”

House Bill No. 10438, introduced by Rep. Joey Sarte Salceda, entitled:

“AN ACT AMENDING SECTION 148 OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED, AND FOR OTHER PURPOSES”

House Resolution No. 2318, introduced by Rep. Jesus “Bong” C. Suntay, entitled:

“A HOUSE RESOLUTION URGING PRESIDENT RODRIGO ROA DUTERTE TO IMMEDIATELY SUSPEND THE IMPOSITION OF THE EXCISE TAX ON PETROLEUM PRODUCTS PROVIDED IN RA 10963”

House Resolution No. 2320, introduced by Rep. Mark O. Go, entitled:

“RESOLUTION URGING HIS EXCELLENCY PRESIDENT RODRIGO ROA DUTERTE TO IMMEDIATELY SUSPEND THE IMPLEMENTATION OF NEW RATES AND INCREASE IN EXCISE TAX FOR FUEL AND OTHER PETROLEUM PRODUCTS, AS PROVIDED UNDER SECTION 43 OF REPUBLIC ACT NO. 10963 OTHERWISE KNOWN AS THE “TAX REFORM FOR ACCELERATION AND INCLUSION”

has considered the same and recommends that the attached House Bill No. **10488**, entitled:


Deogracias Victor “DV” B. Savellano, Jose Gay G. Padiernos, Rico B. Geron, Joselito “Joel” S. Sacdalan, Joaquin M. Chipeco, Jr., Ma. Theresa V. Collantes, and Arnie B. Fuentebella as authors thereof.

Respectfully submitted,

REP. JOEY SARTE SALCEDA
Chairperson
Committee on Ways and Means

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY
Republic of the Philippines

HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Third Regular Session

House Bill No. 10488

(in substitution of House Bill Numbered 243, 10411, 10426, and 10438 and House Resolution Numbered 2318 and 2320)


AN ACT
REDUCING THE EXCISE TAX ON CERTAIN PETROLEUM PRODUCTS,
AMENDING FOR THE PURPOSE SECTION 148 AND ADDING SECTIONS 148-B
AND 148-C IN THE NATIONAL INTERNAL REVENUE CODE OF 1997,
AS AMENDED

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

SECTION 1. Section 148 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:

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

“[Effective January 1, 2018]
(a) Lubricating oils and greases, including but not limited to, basestock for lube oils and greases, high vacuum distillates, aromatic extracts, and other similar preparations, and additives for lubricating oils and greases, whether such additives are petroleum based or not, per liter and kilogram respectively, of volume capacity or weight, Eight pesos (P8.00): Provided, That lubricating oils and greases produced from basestocks and additives on which the excise tax has already been paid shall no longer be subject to excise tax: Provided, further, That locally produced or imported oils previously taxed as such but are subsequently reprocessed, re-refined or recycled shall likewise be subject to the tax imposed under this Section.

(b) Processed gas, per liter of volume capacity, Eight pesos (P8.00);

(c) Waxes and petrolatum, per kilogram, Eight pesos (P8.00);

(d) On denatured alcohol to be used for motive power, per liter of volume capacity, Eight pesos (P8.00): Provided, That unless otherwise provided by special laws, if the denatured alcohol is mixed with gasoline, the excise tax on which has already been paid, only the alcohol content shall be subject to the tax herein prescribed. For purposes of this Subsection, the removal of denatured alcohol of not less than one hundred eighty degrees (180°) proof (ninety percent (90%) absolute alcohol) shall be deemed to have been removed for motive power, unless shown otherwise;

(e) Naphtha, regular gasoline, pyrolysis gasoline and other similar products of distillation, per liter of volume capacity, Seven pesos (P7.00): Provided, however, That naphtha and pyrolysis gasoline, when used as a raw material in the reproduction of petrochemical products or in refining of petroleum products, or as replacement fuel for natural-gas-fired-combined cycle power plant in lieu of locally-extracted natural gas during the non-availability thereof, subject to the rules and regulations to be promulgated by the Secretary of Finance, per liter of volume capacity, zero (P0.00): Provided, further, That the production of petroleum products, whether or not they are classified as products of distillation and for use solely for the production of gasoline shall be exempt from excise tax: Provided, finally, That the by-product including fuel oil, diesel fuel, kerosene, pyrolysis gasoline, liquefied petroleum gases and similar oils having more or less the same generating power, which are produced in the processing of naphtha into petrochemical products shall be subject to the applicable excise tax specified in this Section, except when such by-products are transferred to any of the local oil refineries through sale, barter or exchange, for the purpose of further processing or blending into finished products which are subject to excise tax under this Section;

(f) Unleaded premium gasoline, per liter of volume capacity, Seven pesos (P7.00);
(g) Aviation turbo jet fuel, aviation gas, per liter of volume capacity, Four pesos (P4.00);

(h) Kerosene, per liter of volume capacity, Three pesos (P3.00): Provided, That kerosene, when used as aviation fuel, shall be subject to the same tax on aviation turbo jet fuel under the preceding paragraph (g), such tax to be assessed on the user thereof;

(i) Diesel fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, Two pesos and fifty centavos (P2.50);

(j) Liquefied petroleum gas, per kilogram, One peso (P1.00): Provided, That liquefied 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, shall be taxed zero (P0.00) per kilogram: Provided, finally, That liquefied petroleum gas used for motive power shall be taxed at the equivalent rate as the excise tax on diesel fuel oil;

(k) Asphalts, per kilogram, Eight pesos (P8.00);

(l) Bunker fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, Two pesos and fifty centavos (P2.50): Provided, however, That the excise taxes paid on the purchased basestock (bunker) used in the manufacture of excisable articles and forming part thereof shall be credited against the excise tax due therefrom; and

(m) Petroleum coke, per metric ton, Two pesos and fifty centavos (P2.50): Provided, however, That, petroleum coke, when used as feedstock to any power generating facility, per metric ton, zero (P0.00).

[Effective January 1, 2019]

(a) Lubricating oils and greases, including but not limited to, basestock for lube oils and greases, high vacuum distillates, aromatic extracts, and other similar preparations, and additives for lubricating oils and greases, whether such additives are petroleum based or not, per liter and kilogram respectively, of volume capacity or weight, Nine pesos (P9.00): Provided, That lubricating oils and greases produced from basestocks and additives on which the excise tax has already been paid shall no longer be subject to excise tax: Provided, further, That locally produced or imported oils previously taxed as such but are subsequently reprocessed, re-refined or recycled shall likewise be subject to the tax imposed under this Section.

(b) Processed gas, per liter of volume capacity, Nine pesos (P9.00);
(c) Waxes and petrolatum, per kilogram, Nine pesos (P9.00);

(d) On denatured alcohol to be used for motive power, per liter of volume capacity, Nine pesos (P9.00): Provided, That unless otherwise provided by special laws, if the denatured alcohol is mixed with gasoline, the excise tax on which has already been paid, only the alcohol content shall be subject to the tax herein prescribed. For purposes of this Subsection, the removal of denatured alcohol of not less than one hundred eighty degrees (180°) proof (ninety percent (90%) absolute alcohol) shall be deemed to have been removed for motive power, unless shown otherwise;

(e) Naphtha, regular gasoline, pyrolysis gasoline and other similar products of distillation, per liter of volume capacity, Nine pesos (P9.00): Provided, however, That naphtha and pyrolysis gasoline, when used as a raw material in the reproduction of petrochemical products or in refining of petroleum products, or as replacement fuel for natural-gas-fired-combined cycle power plant in lieu of locally-extracted natural gas during the non-availability thereof, subject to the rules and regulations to be promulgated by the Secretary of Finance, per liter of volume capacity, zero (P0.00): Provided, further, That the production of petroleum products, whether or not they are classified as products of distillation and for use solely for the production of gasoline shall be exempt from excise tax: Provided, finally, That the by-product including fuel oil, diesel fuel, kerosene, pyrolysis gasoline, liquefied petroleum gases and similar oils having more or less the same generating power, which are produced in the processing of naphtha into petrochemical products shall be subject to the applicable excise tax specified in this Section, except when such by-products are transferred to any of the local oil refineries through sale, barter or exchange, for the purpose of further processing or blending into finished products which are subject to excise tax under this Section;

(f) Unleaded premium gasoline, per liter of volume capacity, Nine pesos (P9.00);

(g) Aviation turbo jet fuel, aviation gas, per liter of volume capacity, Four pesos (P4.00);

(h) Kerosene, per liter of volume capacity, Four pesos (P4.00): Provided, That kerosene, when used as aviation fuel, shall be subject to the same tax on aviation turbo jet fuel under the preceding paragraph (g), such tax to be assessed on the user thereof;

(i) Diesel fuel oil, and on similar fuel oils having more or less the same generating power, per liter of volume capacity, Four pesos and fifty centavos (P4.50);

(j) Liquefied petroleum gas, per kilogram, Two pesos (P2.00): Provided, That liquefied 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, shall be
taxed zero (P0.00) per kilogram: Provided, finally, That liquefied petroleum gas used for
motive power shall be taxed at the equivalent rate as the excise tax on diesel fuel oil;

(k) Asphalts, per kilogram, Nine pesos (P9.00);

(l) Bunker fuel oil, and on similar fuel oils having more or less the same generating power,
per liter of volume capacity, Four pesos and fifty centavos (P4.50): Provided, however,
That the excise taxes paid on the purchased basestock (bunker) used in the manufacture of
excisable articles and forming part thereof shall be credited against the excise tax due
therefrom; and

(m) Petroleum coke, per metric ton, Four pesos and fifty centavos (P4.50): Provided,
however, That, petroleum coke, when used as feedstock to any power generating facility,
per metric ton, zero (P0.00).

“Effective January 1, 2020]

“(a) Lubricating oils and greases, including but not limited to, basestock for lube oils and
greases, high vacuum distillates, aromatic extracts, and other similar preparations, and
additives for lubricating oils and greases, whether such additives are petroleum based or
not, per liter and kilogram respectively, of volume capacity or weight, Ten pesos (P10.00):
Provided, That lubricating oils and greases produced from basestocks and additives on
which the excise tax has already been paid shall no longer be subject to excise tax:
Provided, further, That locally produced or imported oils previously taxed as such but are
subsequently reprocessed, re-refined or recycled shall likewise be subject to the tax
imposed under this Section.

“(b) xxx

“(c) xxx

“(d) xxx

“(e) Naphtha, [regular] gasoline WITH NINETY-ONE (91) RESEARCH OCTANE
NUMBER (RON) AND BELOW, pyrolysis gasoline and other similar products of
distillation, per liter of volume capacity, Ten pesos (P10.00): PROVIDED, THAT FOR
THE PERIOD OF SIX (6) MONTHS AFTER THE EFFECTIVITY OF THIS ACT,
THE EXCISE TAX ON GASOLINE WITH NINETY-ONE (91) RON AND BELOW
SHALL BE FOUR PESOS AND THIRTY-FIVE CENTAVOS (P4.35): PROVIDED,
FURTHER, THAT THIS RATE SHALL REVERT TO TEN PESOS (P10.00) WHEN THE AVERAGE DUBAI CRUDE OIL PRICE BASED ON MEAN OF PLATTS SINGAPORE (MOPS) FOR FOUR (4) SUCCESIVE WEEKS DECLINES TO SIXTY-FIVE DOLLARS (USD 65) OR LOWER: Provided, however, That naphtha and pyrolysis gasoline, when used as a raw material in the reproduction of petrochemical products or in refining of petroleum products, or as replacement fuel for natural-gas-fired-combined cycle power plant in lieu of locally-extracted natural gas during the non-availability thereof, subject to the rules and regulations to be promulgated by the Secretary of Finance, per liter of volume capacity, zero PESOS (P0.00): Provided, furthermore, That the production of petroleum products, whether or not they are classified as products of distillation and for use solely for the production of gasoline shall be exempt from excise tax: Provided, finally, That the by-product including fuel oil, diesel fuel, kerosene, pyrolysis gasoline, liquefied petroleum gases and similar oils having more or less the same generating power, which are produced in the processing of naphtha into petrochemical products shall be subject to the applicable excise tax specified in this Section, except when such by-products are transferred to any of the local oil refineries through sale, barter or exchange, for the purpose of further processing or blending into finished products which are subject to excise tax under this Section;

“(f) Unleaded premium gasoline GASOLINE WITH OCTANE NUMBER ABOVE NINETY-ONE (91) RON, per liter of volume capacity, Ten pesos (P10.00): PROVIDED, THAT, FOR THE PERIOD OF SIX (6) MONTHS AFTER THE EFFECTIVITY OF THIS ACT, THE EXCISE TAX UNDER THIS PARAGRAPH SHALL BE SEVEN PESOS (P7.00): PROVIDED, FURTHER, THAT THIS RATE SHALL REVERT TO TEN PESOS (P10.00) WHEN THE AVERAGE DUBAI CRUDE OIL PRICE BASED ON MOPS FOR FOUR (4) SUCCESIVE WEEKS DECLINES TO SIXTY-FIVE DOLLARS (USD 65) OR LOWER;

“(g) Aviation turbo jet fuel, aviation gas, per liter of volume capacity, Four pesos (P4.00);

“(h) Kerosene, per liter of volume capacity, Five pesos (P5.00): PROVIDED, THAT FOR THE PERIOD OF SIX (6) MONTHS AFTER THE EFFECTIVITY OF THIS ACT, THE EXCISE TAX UNDER THIS PARAGRAPH SHALL BE ZERO PESO (P0.00): Provided, furthermore, That kerosene, when used as aviation fuel, shall be subject to the same tax on aviation turbo jet fuel under the preceding paragraph (g), such tax to be assessed on the user thereof: PROVIDED, FINALLY, THAT THE RATE OF EXCISE TAX UNDER THIS PARAGRAPH SHALL REVERT TO FIVE PESOS (P5.00) WHEN THE AVERAGE DUBAI CRUDE OIL PRICE BASED ON MOPS FOR FOUR (4) SUCCESIVE WEEKS DECLINES TO SIXTY-FIVE DOLLARS (USD 65) OR LOWER;
“(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): PROVIDED, THAT, FOR THE PERIOD OF SIX (6) MONTHS AFTER THE EFFECTIVITY OF THIS ACT, THE EXCISE TAX UNDER THIS PARAGRAPH SHALL BE ZERO PESO (P0.00): PROVIDED, FURTHER, THAT THIS RATE SHALL REVERT TO SIX PESOS (P6.00) WHEN THE AVERAGE DUBAI CRUDE OIL PRICE BASED ON MOPS FOR FOUR (4) SUCCESSIVE WEEKS DECLINES TO SIXTY-FIVE DOLLARS (USD 65) OR LOWER;

“(j) Liquefied petroleum gas, per kilogram, Three pesos (P3.00) PROVIDED, THAT, FOR THE PERIOD OF SIX (6) MONTHS AFTER THE EFFECTIVITY OF THIS ACT, THE EXCISE TAX UNDER THIS PARAGRAPH SHALL BE ZERO PESO (P0.00); PROVIDED, FURTHER, THAT THIS RATE SHALL REVERT TO THREE PESOS (P3.00) WHEN THE AVERAGE LIQUEFIED PETROLEUM GAS PRICE BASED ON SAUDI ARAMCO’S CONTRACT PRICE FOR TWO (2) SUCCESSIVE MONTHS DECLINES TO FIVE HUNDRED EIGHTY DOLLARS (USD 580) PER METRIC TON OR LOWER: Provided, That liquefied 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, shall be taxed zero PESO (P0.00) per kilogram: Provided, finally, That liquefied petroleum gas used for motive power shall be taxed at the equivalent rate as the excise tax on diesel fuel oil;

“(k) xxx

“(l) xxx

“(m) xxx

“Petroleum products, including naphtha, LPG, petroleum coke, refinery fuel and other products of distillation, when used as input, feedstock or as raw material in the manufacturing of petrochemical products, or in the refining of petroleum products, or as replacement fuel for natural-gas-fired-combined cycle power plant in lieu of locally-extracted natural gas during the non-availability thereof, subject to the rules and regulations to be promulgated by the Secretary of Finance, per liter of volume capacity, zero PESO (P0.00): Provided, That the by-product including fuel oil, diesel fuel, kerosene, pyrolysis gasoline, liquefied petroleum gases, and similar oils having more or less the same generating power, which are produced in the processing of naphtha into petrochemical products shall be subject to the applicable excise tax specified in this Section, except when such by-products are transferred to any of the local oil refineries through sale, barter or
exchange, for the purpose of further processing or blending into finished products which are subject to excise tax under this Section.

“For the period covering 2018 to 2020, the scheduled increase in the excise tax on fuel as imposed in this Section shall be suspended when the average Dubai crude oil price based on Mean of Platts Singapore (MOPS) for three (3) months prior to the scheduled increase of the month reaches or exceeds Eighty dollars (USD 80) per barrel.”

“[Provided, That the Department of Finance] THE DEVELOPMENT BUDGET COORDINATION COMMITTEE (DBCC) shall perform an annual review of the implementation of the excise tax on fuel and shall, based on projections AND ASSESSMENTS OF [provided and recommendations of the Development Budget Coordination Committee, as reconciled from] the conditions as provided above, recommend TO THE PRESIDENT the [implementation or] suspension OR REDUCTION of the excise tax [on fuel] UNDER THIS SECTION: Provided, [further,] That the recommendation shall be given on a yearly basis[:]. [Provided, finally, That any suspension of the increase in excise tax shall not result in any reduction of the excise tax being imposed at the time of the suspension.]

SEC. 2. A new section designated as Section 148-B of the National Internal Revenue Code of 1997, as amended, is hereby added, to read as follows:


THE DOE AND THE DOF SHALL FURNISH DATA SUBMITTED UNDER THIS SECTION TO THE DOE-DOJ TASK FORCE CREATED UNDER SECTION 14 (D) OF REPUBLIC ACT NO. 8479, OTHERWISE KNOWN AS THE DOWNSTREAM OIL INDUSTRY DEREGULATION ACT OF 1998, FOR APPROPRIATE ACTION.
SEC. 3. A new section designated as Section 148-C of the National Internal Revenue Code of 1997, as amended, is hereby added, to read as follows:

SECTION 148-C. SOCIAL IMPACT STABILIZATION FUND. – NOTWITHSTANDING THE EXCISE TAX IMPOSED UNDER SECTION 148 (E), (F), AND (I) OF THIS ACT, AN ADDITIONAL EXCISE TAX OF TWO PESOS (P2.00) PER LITER OF VOLUME SHALL BE COLLECTED ON GASOLINE, DIESEL FUEL OIL, AND ON SIMILAR FUEL OILS HAVING MORE OR LESS THE SAME GENERATING POWER, WHEN THE AVERAGE DUBAI CRUDE OIL PRICE BASED ON MOPS FOR THREE (3) SUCCESSIVE MONTHS DECLINES TO FORTY-FIVE DOLLARS (USD 45) OR LOWER. THE REVENUES COLLECTED FROM THE ADDITIONAL EXCISE TAX SHALL CONSTITUTE THE SOCIAL IMPACT STABILIZATION FUND WHICH SHALL BE UTILIZED BY THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT (DSWD) FOR DISTRIBUTING CASH AID TO AFFECTED LAND PUBLIC TRANSPORT ENTITIES SUCH AS THE OPERATORS OF PUBLIC UTILITY VEHICLES, TAXIS, TRANSPORT NETWORK VEHICLE SERVICES, AND TRICYCLES, DURING PERIODS OF HIGH PETROLEUM PRICES: PROVIDED, THAT THE DSWD AND THE DEPARTMENT OF TRANSPORTATION SHALL JOINTLY PREPARE THE IMPLEMENTING RULES AND REGULATIONS FOR THE ADMINISTRATION OF THE SOCIAL IMPACT STABILIZATION FUND.

SEC. 4. Implementing Rules and Regulations. - Within thirty (30) days from the effectivity of this Act, the Secretary of Finance shall, upon the recommendation of the Commissioner of Internal Revenue, promulgate the necessary rules and regulations for its effective implementation.

SEC. 5. Separability Clause. – If any of the sections or provisions of this Act is held invalid, all the other provisions not affected thereby shall remain in full force and effect.

SEC. 6. Repealing Clause – The provisions of the National Internal Revenue Code of 1997, as amended, shall continue to have full force and effect, except insofar as they are inconsistent with this Act.

SEC. 7. Effectivity. –This Act shall take effect after fifteen (15) days following its complete publication in the Official Gazette or in a newspaper of general circulation.

Approved,
FACT SHEET

House Bill No. 10488

(in substitution of House Bill Numbered 243, 10411, 10426, and 10438 and House Resolution Numbered 2318 and 2320)


OBJECTIVES:

- To provide immediate relief to the public affected by rising fuel prices through the reduction of excise taxes on gasoline, diesel, kerosene and liquefied petroleum gas (LPG)
- To strengthen the reporting and monitoring mechanisms on retail prices of fuel
- To establish a stabilization fund for land public transport entities as cash amelioration during periods of high petroleum prices

KEY PROVISIONS:

- Reduces the following excise tax rates on fuel for a period of six (6) months after effectivity of the Act:

<table>
<thead>
<tr>
<th>FUEL TYPE</th>
<th>TAX RATE (per liter of volume capacity)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regular Rate</td>
</tr>
<tr>
<td>Gasoline (fuel with 91 RON* and below)</td>
<td>P10.00</td>
</tr>
<tr>
<td>Gasoline (fuel above 91 RON*)</td>
<td>P10.00</td>
</tr>
<tr>
<td>Kerosene</td>
<td>P5.00</td>
</tr>
<tr>
<td>Diesel</td>
<td>P6.00</td>
</tr>
<tr>
<td>LPG</td>
<td>P3.00</td>
</tr>
</tbody>
</table>

*Research Octane Number
• Provides that the rate per liter of volume capacity reverts to the regular rate when the following thresholds are breached:

<table>
<thead>
<tr>
<th>FUEL TYPE</th>
<th>THRESHOLD FOR RATE REVERSION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gasoline (fuel with 91 RON and below)</td>
<td>Average Dubai crude oil price based on Mean of Platts Singapore = USD65</td>
</tr>
<tr>
<td>Gasoline (fuel above 91 RON)</td>
<td></td>
</tr>
<tr>
<td>Kerosene</td>
<td></td>
</tr>
<tr>
<td>Diesel</td>
<td>Saudi Aramco Contract Price = USD580</td>
</tr>
<tr>
<td>LPG</td>
<td></td>
</tr>
</tbody>
</table>

• Mandates the Development Budget Coordination Committee to perform an annual review of the implementation of excise tax on fuel and recommend to the President suspension of fuel excise taxes, if warranted;

• Establishes a mechanism on price monitoring that will require oil companies to notify the Department of Energy and the Department of Finance of change in retail prices of gasoline, kerosene, diesel and LPG and its justification, within the six-month period of rate adjustment;

• Creates a Social Impact Stabilization Fund to be utilized by the Department of Social Welfare and Development for cash aid to affected land public transport entities such as public utility vehicles, taxis, transport network vehicle services, and tricycles during periods of high petroleum prices; and

• Imposes an additional P2.00 per liter tax on gasoline, diesel fuel oil and other similar fuel oils having more or less the same generating power to fund the Social Impact Stabilization Fund when the average Dubai crude oil price based on MOPS for three (3) consecutive months declines to forty-five dollars (USD45) or lower.

RELATED LAWS:

1. Republic Act No. 8424, otherwise known as the National Internal Revenue Code of 1997, as amended;
2. Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion (TRAIN); and