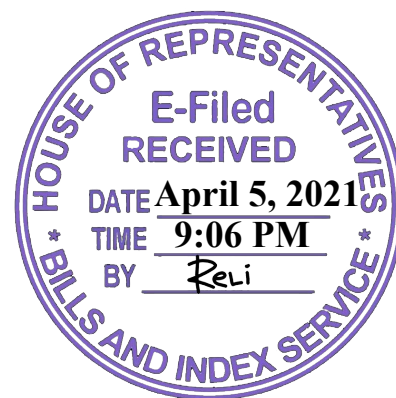


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



Eighteenth Congress
Second Regular Session

COMMITTEE REPORT NO. 904

Submitted by the Committees on Ways and Means and Appropriations on April 5, 2021

RE: House Bill No. 9171

Recommending its approval in substitution of House Bill Numbered 178

SPONSORS: Representatives Horacio P. Suansing, Jr., Estrellita B. Suansing, and Joey Sarte Salceda,

Mr. Speaker:

The Committees on Ways and Means and Appropriations to which was referred House Bill No. 178, introduced by Reps. Horacio P. Suansing, Jr. and Estrellita B. Suansing, entitled:

“AN ACT IMPOSING EXCISE TAX ON SINGLE-USE PLASTIC BAGS, CREATING FOR THE PURPOSE SECTION 150-C OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED”

have considered the same and recommend that the attached House Bill No. 9171, entitled:

“AN ACT IMPOSING EXCISE TAX ON PLASTIC BAGS, THEREBY ADDING A NEW SECTION, DESIGNATED AS SECTION 150-C, IN THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED”

be approved in substitution of House Bill No. 178 with Representatives Horacio P. Suansing, Estrellita B. Suansing, Joey Sarte Salceda, Eric Go Yap, Isidro T. Ungab, Kristine Singson-Meehan, Sol Aragon, Joaquin M. Chipeco, Jr., Jose Gay G. Padiernos, Jesus “Bong” C. Suntay, Jose “Pingping” I. Tejada, Joy Myra S. Tambunting, Angelina “Helen” D.L. Tan, M.D., Eric L. Olivarez, Rose Marie “Baby” J. Arenas, Jose L. Atienza, Jr., Evelina G. Escudero, Ferdinand L. Hernandez, Rodante D. Marcoleta, Strike B. Revilla, Rufus B. Rodriguez, Deogracias Victor “DV” B. Savellano, Tyrone D. Agabas, Christopher V. P. De Venecia, Stella Luz A. Quimbo, Carlos Isagani T. Zarate, Elenita Milagros “Eileen” Ermita-Buhain, Lorna P. Bautista-Bandigan, Luis N. Campos, Jr., Junie E. Cua, Luisa Lloren Cuaresma, Paul Ruiz Daza, Rudys Caesar G. Fariñas I, Vincent Franco “Duke” D. Frasco, Greg G. Gasataya, Ed Christopher S. Go, Ruwel Peter Gonzaga, Sandro L. Gonzalez, Teodorico Haresco, Jr., Romeo M. Jalosjos, Jr., Jocelyn Sy Limkaichong, Corazon T. Nuñez-Malanyaon, Romeo S. Momo, Sr., Manuel T. Sagarbarria, David “Jay-Jay” C. Suarez, Jose Antonio “Kuya” Sy-Alvarado, Alfred Vargas, Micaela S. Violago, Manuel F. Zubiri, Antonio “Tonypet” T. Albano, Angelo Marcos Barba, Alfel M. Bascug, Jose Francisco “Kiko” B. Benitez, Ph.D., Gabriel H. Bordado, Jr., Fernando T. Cabredo, Carl Nicolas C. Cari, Sergio C. Dagooc, Maximo Y. Dalog, Jr., Alfred C. Delos Santos, Abdullah D. Dimaporo,

Mohamad Khalid Q. Dimaporo, Faustino "Inno" A. Dy V, Faustino Michael Carlos T. Dy III, Jocelyn F. Fortuno, Ramon "Mon-Mon" V. Guico III, DPM, Eduardo "Eddie" R. Gullas, Godofredo N. Guya, Ann K. Hofer, Cesar "Jawo" L. Jimenez, Jr., Glona G. Labadlabad, Maricel G. Natividad-Nagaño, Pablo C. Ortega, Alyssa Sheena P. Tan, John Reynald M. Tiangco, Diego "Nonoy" C. Ty, Samantha Louise Vargas Alfonso, Rosanna "Ria" V. Vergara, Leonardo L. Babasa, Jr., Michael T. Defensor, Sandra Y. Eriguel, M.D., Jonathan Keith T. Flores, Ferdinand R. Gaite, Mark O. Go, Virgilio S. Lacson, Florida "Rida" P. Robes, Jumel Anthony I. Espino, Sonny "SL" L. Lagon, Lorenz R. Defensor, Pablo John F. Garcia, Janice Z. Salimbangon, Ramon C. Nolasco, Jr., Cheryl P. Deloso-Montalla, Weslie Gatchalian, Arnie B. Fuentebella, Divina Grace C. Yu, Lawrence Lemuel L. Fortun, Shirlyn L. Bañas-Nogralas, Johnny T. Pimentel, Roman T. Romulo, Jericho Jonas B. Nogralas, Victor A. Yap, Sharon S. Garin, and Janette L. Garin, as authors.

Respectfully submitted,



ERIC GO YAP
Chairperson
Committee on Appropriations



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**

**Eighteenth Congress
Second Regular Session**

**HOUSE BILL NO. 9171
(in substitution of House Bill No. 178)**

Introduced by Representatives Horacio P. Suansing, Jr., Estrellita B. Suansing, Joey Sarte Salceda, Eric Go Yap, Isidro T. Ungab, Kristine Singson-Meehan, Sol Aragon, Joaquin M. Chipeco, Jr., Jose Gay G. Padiernos, Jesus "Bong" C. Suntay, Jose "Pingping" I. Tejada, Joy Myra S. Tambunting, Angelina "Helen" D.L. Tan, M.D., Eric L. Olivarez, Rose Marie "Baby" J. Arenas, Jose L. Atienza, Jr., Evelina G. Escudero, Ferdinand L. Hernandez, Rodante D. Marcoleta, Strike B. Revilla, Rufus B. Rodriguez, Deogracias Victor "DV" B. Savellano, Tyrone D. Agabas, Christopher V. P. De Venecia, Stella Luz A. Quimbo, Carlos Isagani T. Zarate, Elenita Milagros "Eileen" Ermita-Buhain, Lorna P. Bautista-Bandigan, Luis N. Campos, Jr., Junie E. Cua, Luisa Lloren Cuaresma, Paul Ruiz Daza, Rudys Caesar G. Fariñas I, Vincent Franco "Duke" D. Frasco, Greg G. Gasataya, Ed Christopher S. Go, Ruwel Peter Gonzaga, Sandro L. Gonzalez, Teodorico Haresco, Jr., Romeo M. Jalosjos, Jr., Jocelyn Sy Limkaichong, Corazon T. Nuñez-Malanyaon, Romeo S. Momo, Sr., Manuel T. Sagarbarria, David "Jay-Jay" C. Suarez, Jose Antonio "Kuya" Sy-Alvarado, Alfred Vargas, Micaela S. Violago, Manuel F. Zubiri, Antonio "Tonypet" T. Albano, Angelo Marcos Barba, Alfel M. Bascug, Jose Francisco "Kiko" B. Benitez, Ph.D., Gabriel H. Bordado, Jr., Fernando T. Cabredo, Carl Nicolas C. Cari, Sergio C. Dagooc, Maximo Y. Dalog, Jr., Alfred C. Delos Santos, Abdullah D. Dimaporo, Mohamad Khalid Q. Dimaporo, Faustino "Inno" A. Dy V, Faustino Michael Carlos T. Dy III, Jocelyn F. Fortuno, Ramon "Mon-Mon" V. Guico III, DPM, Eduardo "Eddie" R. Gullas, Godofredo N. Guya, Ann K. Hofer, Cesar "Jawo" L. Jimenez, Jr., Glona G. Labadlabad, Maricel G. Natividad-Nagaño, Pablo C. Ortega, Alyssa Sheena P. Tan, John Reynald M. Tiangco, Diego "Nonoy" C. Ty, Samantha Louise Vargas Alfonso, Rosanna "Ria" V. Vergara, Leonardo L. Babasa, Jr., Michael T. Defensor, Sandra Y. Eriguel, M.D., Jonathan Keith T. Flores, Ferdinand R. Gaite, Mark O. Go, Virgilio S. Lacson, Florida "Rida" P. Robes, Jumel Anthony I. Espino, Sonny "SL" L. Lagon, Lorenz R. Defensor, Pablo John F. Garcia, Janice Z. Salimbangon, Ramon C. Nolasco, Jr., Cheryl P. Deloso-Montalla, Weslie Gatchalian, Arnie B. Fuentesbella, Divina Grace C. Yu, Lawrence Lemuel L. Fortun, Shirlyn L. Bañas-Nogralas, Johnny T. Pimentel, Roman T. Romulo, Jericho Jonas B. Nogralas, Victor A. Yap, Sharon S. Garin, and Janette L. Garin

AN ACT IMPOSING EXCISE TAX ON PLASTIC BAGS, THEREBY ADDING A NEW SECTION, DESIGNATED AS SECTION 150-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. *Short Title.* – This Act shall be known as the “*Plastic Bags Tax Act.*”

SEC. 2. *Declaration of Policy.* – It is hereby declared 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 through the proper exercise of its power of taxation.

SEC. 3. A new section designated as Section 150-C of the National Internal Revenue Code of 1997, as amended, is hereby added to read as follows:

“SEC. 150-C. PLASTIC BAGS. -

(A) **RATE AND BASE OF TAX.** – THERE SHALL BE LEVIED, ASSESSED, AND COLLECTED AN EXCISE TAX IN THE AMOUNT OF TWENTY PESOS (PHP20.00) FOR EVERY KILOGRAM OF PLASTIC BAG REMOVED FROM THE PLACE OF PRODUCTION OR RELEASED FROM THE CUSTODY OF THE BUREAU OF CUSTOMS.

PLASTIC BAGS SHALL REFER TO SECONDARY LEVEL PLASTICS MADE OF SYNTHETIC OR SEMISYNTHETIC ORGANIC POLYMER, COMMONLY KNOWN AS “*LABO*” OR “*SANDO*” BAGS, WITH OR WITHOUT HANDLE, USED AS PACKAGING FOR GOODS OR PRODUCTS.

(B) **FILING OF RETURN AND PAYMENT OF EXCISE TAX ON PLASTIC BAGS.** – THE PROVISIONS OF SECTIONS 130 AND 131 OF THE NATIONAL

INTERNAL REVENUE CODE OF 1997, AS AMENDED, ON THE FILING OF RETURN AND PAYMENT OF EXCISE TAX SHALL APPLY.

(C) NON-PAYMENT OF EXCISE TAX. – NON-PAYMENT OF THE EXCISE TAX IMPOSED UNDER THIS ACT SHALL BE SUBJECT TO THE PERTINENT PROVISIONS UNDER TITLES VIII AND X OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, REGARDING COLLECTION OF UNPAID TAXES AND IMPOSITION OF CORRESPONDING FINES, SURCHARGES, PENALTIES, AND IMPRISONMENT OR CLOSURE OF BUSINESS.”

SEC. 4. Section 288 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:

“SEC. 288. Disposition of Incremental AND OTHER Revenues. –

(A) xxx

(B) xxx

(C) xxx

(D) xxx

(E) xxx

(F) xxx

(G) REVENUES FROM THE EXCISE TAX ON PLASTIC BAG. –

ONE HUNDRED PERCENT (100%) OF THE REVENUES COLLECTED FROM THE EXCISE TAX ON PLASTIC BAGS SHALL BE ALLOCATED AND USED EXCLUSIVELY FOR THE IMPLEMENTATION OF THE SOLID WASTE MANAGEMENT PLANS OF LOCAL GOVERNMENT UNITS, WHICH MAY INCLUDE THE ACQUISITION OF LAND FOR THE CONSTRUCTION AND

OPERATION OF SANITARY LANDFILLS, PURSUANT TO REPUBLIC ACT NO. 9003, OTHERWISE KNOWN AS ‘THE ECOLOGICAL SOLID WASTE MANAGEMENT ACT OF 2000’.”

SEC. 5. *Implementing Rules and Regulations.* – Within Sixty (60) days from the effectivity of this Act, the Secretary of Finance shall, upon the recommendation of the Commissioners of the Bureau of Internal Revenue and the Bureau of Customs and, in consultation with the Department of Environment and Natural Resources, issue and promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 6. *Separability Clause.* – If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

SEC. 7. *Repealing Clause.* – All laws, decrees, executive orders, rules, and regulations or parts thereof which are contrary to or inconsistent with any provision of this Act are hereby repealed, modified, or amended accordingly.

SEC. 8. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication either in the *Official Gazette*, or in at least one (1) newspaper of general circulation.

Approved,

**House of Representatives
Committee Affairs Department**

FACT SHEET

House Bill No. 9171
(In substitution of House Bill No. 178)

**AN ACT IMPOSING EXCISE TAX ON PLASTIC BAGS, THEREBY
ADDING A NEW SECTION, DESIGNATED AS SECTION 150-C, IN
THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS
AMENDED**

Introduced by: REPS. HORACIO P. SUANSING, JR., ESTRELLITA B. SUANSING, JOEY SARTE SALCEDA, ERIC GO YAP, ISIDRO T. UNGAB, KRISTINE SINGSON-MEEHAN, SOL ARAGONES, JOAQUIN M. CHIPECO, JR., JOSE GAY G. PADIERNOS, JESUS "BONG" C. SUNTAY, JOSE "PINGPING" I. TEJADA, JOY MYRA S. TAMBUNTING, ANGELINA "HELEN" D.L. TAN, M.D., ERIC L. OLIVAREZ, ROSE MARIE "BABY" J. ARENAS, JOSE L. ATIENZA, JR., EVELINA G. ESCUDERO, FERDINAND L. HERNANDEZ, RODANTE D. MARCOLETA, STRIKE B. REVILLA, RUFUS B. RODRIGUEZ, DEOGRACIAS VICTOR "DV" B. SAVELLANO, TYRONE D. AGABAS, CHRISTOPHER V. P. DE VENECIA, STELLA LUZ A. QUIMBO, CARLOS ISAGANI T. ZARATE, ELENITA MILAGROS "EILEEN" ERMITA-BUHAIN, LORNA P. BAUTISTA-BANDIGAN, LUIS N. CAMPOS, JR., JUNIE E. CUA, LUISA LLOREN CUARESMA, PAUL RUIZ DAZA, RUDYS CAESAR G. FARIÑAS I, VINCENT FRANCO "DUKE" D. FRASCO, GREG G. GASATAYA, ED CHRISTOPER S. GO, RUWEL PETER GONZAGA, SANDRO L. GONZALEZ, TEODORICO HARESCO, JR., ROMEO M. JALOSJOS, JR., JOCELYN SY LIMKAICHONG, CORAZON T. NUÑEZ-MALANYAON, ROMEO S. MOMO, SR., MANUEL T. SAGARBARRIA, DAVID "JAY-JAY" C. SUAREZ, JOSE ANTONIO "KUYA" SY-ALVARADO, ALFRED VARGAS, MICAELA S. VIOLAGO, MANUEL F. ZUBIRI, ANTONIO "TONYPET" T. ALBANO, ANGELO MARCOS BARBA, ALFEL M. BASCUG, JOSE FRANCISCO "KIKO" B. BENITEZ, PH.D., GABRIEL H. BORDADO, JR., FERNANDO T. CABREDO, CARL NICOLAS C. CARI, SERGIO C. DAGOOC, MAXIMO Y. DALOG, JR., ALFRED C. DELOS SANTOS, ABDULLAH D. DIMAPORO, MOHAMAD KHALID Q. DIMAPORO, FAUSTINO "INNO" A. DY V, FAUSTINO MICHAEL CARLOS T. DY III, JOCELYN F. FORTUNO, RAMON "MON-MON" V. GUICO III, DPM, EDUARDO "EDDIE" R. GULLAS, GODOFREDO N. GUYA, ANN K. HOFER, CESAR "JAWO" L. JIMENEZ, JR., GLONA G. LABADLABAD, MARICEL G. NATIVIDAD-NAGAÑO, PABLO C. ORTEGA, ALYSSA SHEENA P. TAN, JOHN REYNALD M. TIANGCO, DIEGO "NONOY" C. TY, SAMANTHA LOUISE VARGAS ALFONSO, ROSANNA "RIA" V. VERGARA, LEONARDO L. BABASA, JR., MICHAEL T. DEFENSOR, SANDRA Y. ERIGUEL, M.D., JONATHAN KEITH T. FLORES, FERDINAND R. GAITE, MARK O. GO, VIRGILIO S. LACSON, FLORIDA "RIDA" P. ROBES, JUMEL ANTHONY I. ESPINO, SONNY "SL" L. LAGON, LORENZ R. DEFENSOR, PABLO JOHN F. GARCIA, JANICE Z. SALIMBANGON, RAMON C. NOLASCO, JR., CHERYL P. DELOSO-MONTALLA, WESLIE GATCHALIAN, ARNIE B. FUENTEBELLA, DIVINA GRACE C. YU, LAWRENCE LEMUEL L. FORTUN, SHIRLYN L. BAÑAS-NOGRALES, JOHNNY T. PIMENTEL, ROMAN T. ROMULO, JERICHO JONAS B. NOGRALES, VICTOR A. YAP, SHARON S. GARIN, AND JANETTE L. GARIN

*Committee Referral: **COMMITTEE ON WAYS AND MEANS***
*Committee Chairperson: **REP. JOEY SARTE SALCEDA***

OBJECTIVES

- To encourage the utilization of environment-friendly alternatives to plastic bags
- To help fund the implementation of Republic Act No. 9003, otherwise known as the “Ecological Solid Waste Management Act of 2000

KEY PROVISIONS:

- Imposes an excise tax of Twenty Pesos (P 20.00) for every kilogram of plastic bag removed from the place of production or released from the custody of the Bureau of Customs; and
- Earmarks proceeds to help finance the projects of Local Government Units pursuant to Republic Act No. 9003 or the “Ecological Solid Waste Management Act of 2000

RELATED LAWS:

- The National Internal Revenue Code of 1997, as amended
- Republic Act No. 9003, otherwise known as the “Ecological Solid Waste Management Act of 2000