

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 0178



Introduced by Representatives
HORACIO P. SUANSING, JR. and ESTRELLITA B. SUANSING

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

EXPLANATORY NOTE

The use of plastic bags as means of transporting fresh produce, meat, clothing and other consumption goods has become customary in the conduct of trade not only in the Philippines but in other countries as well. With their relatively low cost, versatility and durability, it is no surprise that millions of citizens worldwide opt to utilize plastics. According to the United Nations, about four (4) to five (5) trillion plastic bags are used annually for personal and commercial purposes.¹

However, this mass consumption of plastics, most of which are single-use, has had significant detrimental effects on the environment. Among the four to five trillion plastic bags that are used each year, billions of bags end up as litter – and given the toxicity of plastic substances especially when ingested by humans and animals, the billions of plastic bags that end up as waste inland and in our oceans pose a grave threat to the very existence of ecosystems and the species that populate them. Plastic marine debris have already been documented to harm approximately 267 different species through entanglement and ingestion of plastic (including sea turtles, dolphins and whales), and it has been estimated that over 400,000 marine mammals die annually due to plastic pollution in our oceans.²

On the other hand, humans are constantly exposed to possible carcinogenic chemicals that are used in the production of plastics, such as Bisphenol A (BPA), which studies have shown can potentially be related to disruptions in gene expression (thereby affecting biological functions related to the body's metabolism and development) as well as disruptions in fertility and sexual maturation.³

To reduce its costly environmental impact, several countries have already imposed taxes on plastic bags, while others have even gone so far as to implement a total ban. Cities within the

¹ Beat Plastic Pollution. Retrieved from <https://www.unenvironment.org/interactive/beat-plastic-pollution/>

² Le Guern, C. (2018, March). When the Mermaids Cry: The Great Plastic Tide. Retrieved June 28, 2019, from <http://plastic-pollution.org>.


³ Mathieu-Denoncourt, Justine; Wallace, Sarah J.; de Solla, Shane R.; Langlois, Valerie S. (November 2014). "Plasticizer endocrine disruption: Highlighting developmental and reproductive effects in mammals and non-mammalian aquatic species". *General and Comparative Endocrinology*. Retrieved June 28, 2019, from <https://doi.org/10.1016/j.ygcen.2014.11.003>.


United States, namely Washington D.C., San Francisco, CA and Seattle, WA, have dramatically reduced plastic pollution as a result of implementing taxes on plastic bags, curbing plastic consumption by 85 percent, 72 percent and 78 percent, respectively.⁴ Canada has also adopted waste-reducing policies, particularly the ban on plastic straws and on the distribution of polystyrene foam cups and containers. Other countries that have also enacted laws banning plastic bags include India, Kenya, United Kingdom, Australia and China.⁵

Despite the enactment of Republic Act 9003, or the Ecological Solid Waste Management Act of 2001, the Philippines still remains as one of the countries with the highest amount of plastic bag waste ending up in oceans.⁶ Based on the data from the Ocean Conservancy, the country generates about 2.7 million metric tons of plastic waste and half a million metric tons of plastic-waste leakage each year.⁷ Aside from the short- and long-term consequences of plastic use on the environment and the health of humans and animals alike, the mass consumption of plastics in the Philippines further magnifies the flooding problem that Filipinos experience, especially during the typhoon season.

Given these growing concerns, it is therefore necessary that this Congress addresses the problem relating to the proliferation of plastic bag waste. Pursuant thereto, this bill seeks to impose excise tax on single-use plastic bags. By imposing this levy, this bill endeavors to encourage the exploration and utilization of environment-friendly alternatives to single-use plastic bags. Furthermore, this proposed measure aims to generate additional revenues for the government which could be used to finance programs and projects to counter the harmful effects of plastic pollution in the Philippines.

In view of the foregoing, the passage of this measure is earnestly sought.⁸


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⁴ 10 Cities and Countries Confronting Plastic Bag Pollution Head-On. Retrieved from <https://www.earthday.org/2018/04/20/10-cities-and-countries-confronting-plastic-bag-pollution-head-on/>

⁵ Ibid.

⁶ 2018 World Environment Day: Philippines Wages War vs Plastic Waste. Retrieved from <http://environews.ph/waste/2018-world-environment-day-philippines-wages-war-vs-plastic-waste/>

⁷ Ibid.

⁸ This bill was originally filed during the Seventeenth Congress, Third Regular Session.

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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 “Single-Use Plastic Bag Tax Act.”

SECTION 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, among others, the proper exercise of its power of taxation.

SECTION 3. A new section designated as Section 150-C under Chapter VI, Title VI of the NIRC, as amended, is hereby created to read as follows:

"SEC. 150-C. SINGLE-USE PLASTIC BAGS. –

(A) **RATE AND BASE OF TAX. —** EFFECTIVE JANUARY 1, 2020, THERE SHALL BE LEVIED, ASSESSED AND COLLECTED AN EXCISE TAX IN THE AMOUNT OF TEN PESOS (PHP 10.00) FOR EVERY SINGLE-USE PLASTIC BAG REMOVED FROM THE PLACE OF PRODUCTION OR RELEASED FROM THE CUSTOMS HOUSE.

AS USED IN THIS SECTION, SINGLE-USE PLASTIC BAGS SHALL MEAN SINGLE-USE PLASTIC CARRIER BAGS, WITH OR WITHOUT HANDLE, WHICH ARE SUPPLIED TO CONSUMERS AT THE POINT OF SALE OF GOODS OR PRODUCTS.

(B) **RETURN AND PAYMENT OF TAX. —** THE PROVISION OF SECTIONS 130 AND 131 OF THE NIRC OF 1997, AS AMENDED, SHALL APPLY TO SINGLE-USE PLASTIC BAGS AS APPROPRIATE.

(C) **NON-PAYMENT OF EXCISE TAX. —** NON-PAYMENT OF THE EXCISE TAX IMPOSED UNDER THIS ACT SHALL BE SUBJECT TO THE PERTINENT PROVISIONS OF THE NIRC OF 1997, AS AMENDED, REGARDING

COLLECTION OF UNPAID TAXES AND IMPOSITION OF
CORRESPONDING FINES, SURCHARGES AND PENALTIES, AND
IMPRISONMENT AND/OR CLOSURE OF BUSINESS."

SECTION 4. Section 288 of the NIRC of 1997, as amended, is hereby further amended to read as follows:

"SEC. 288. Disposition of Incremental AND OTHER [Revenue] REVENUES. —

- (A) xxx
 - (B) xxx
 - (C) xxx
 - (D) xxx
 - (E) xxx
 - (F) xxx
 - (G) REVENUES FROM THE EXCISE TAX ON SINGLE-USE PLASTIC BAGS.
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FIFTY PERCENT (50%) OF THE REVENUES FROM THE EXCISE TAX ON SINGLE-USE PLASTIC BAGS SHALL BE ALLOCATED TO THE SOLID WASTE MANAGEMENT FUND PROVIDED UNDER SECTION 46 OF REPUBLIC ACT NO. 9003 OR THE ECOLOGICAL SOLID WASTE MANAGEMENT ACT OF 2000. THE REMAINING REVENUES SHALL ACCRUE TO THE GENERAL FUND."

SECTION 5. *Implementing Rules and Regulations.* — The Secretary of the Department of Finance, upon the recommendation of the Commissioners of the Bureau of Internal Revenue and the Bureau of Customs, shall, within sixty (60) days from the effectivity of this Act, promulgate rules and regulations to faithfully implement the intent and provisions of this Act: Provided, That the failure of the Secretary of the DOF to do so shall not prevent the implementation of this Act upon its effectivity.

SECTION 6. *Separability Clause.* — If any provision of this Act is subsequently declared invalid or unconstitutional, other provisions hereof which are not affected thereby shall remain in full force and effect.

SECTION 7. *Repealing Clause.* — All other laws, acts, presidential decrees, executive orders, issuances, presidential proclamations, rules and regulations or parts thereof which are contrary to and inconsistent with any provision of this Act are hereby repealed, amended or modified accordingly.

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

Approved,