Bringing In Revenues for Nation-Building

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

BAGONG PILIPINAS

APR 17 2026

REVENUE MEMORANDUM CIRCULAR NO. 031-2026

SUBJECT : Circularizing Executive Order No. 114, Series of 2026, Entitled "Temporarily Suspending the Excise Taxes on Specific Petroleum Products Pursuant to Section 148 of Republic Act No. 8424, or the National Internal Revenue Code of 1997, as Amended"

TO : All Internal Revenue Officers, Employees, and Others Concerned

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In view of the issuance of Executive Order (EO) No. 114, Series of 2026, entitled "Temporarily Suspending the Excise Taxes on Specific Petroleum Products Pursuant to Section 148 of Republic Act No. 8424, or the National Internal Revenue Code of 1997, as Amended," this Circular is hereby issued for the information, guidance and observance of all internal revenue officials, employees, and others concerned.

EO No. 114, series of 2026, issued pursuant to Republic Act (RA) No. 12316, implements the temporary suspension of the excise taxes imposed under said provision on specific petroleum products, subject to the conditions and limitations provided therein.

Attached herewith as Annex "A" is a copy of the said EO.

For ease of reference and insofar as relevant to the functions of the Bureau of Internal Revenue, the following provisions are hereby reproduced:

> "**Section 1. Temporary Suspension of Excise Taxes on Specific Petroleum Products.** *The excise taxes on LPG, except when used as raw material for* production of petrochemical products or used for motive power, and kerosene, except when used as aviation fuel, are hereby fully suspended for a period of three (3) months from effectivity of this Order.
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> XXX XXX XXX
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> **Section 3. Automatic Reversion of Rates.** The excise tax rates on petroleum products shall automatically revert to the rates prescribed under Section 148 of the NIRC, as amended, without need of further issuance, upon the occurrence of any of the following, whichever comes first:

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i. One (1) week after the one (1)-month average Dubai crude oil price based on MOPS falls below USD80 per barrel, as certified by the DOE; or
ii. Upon expiration of the duration provided under Section 2 hereof.

Section 4. Monitoring and Inventory Requirement. The DOE and the Department of Finance (DOF), through the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC), are directed to conduct an inventory of existing stocks of LPG and kerosene as of the effectivity of this Order.

The BIR and the BOC shall likewise submit to Congress monthly information on the declared value and volume of petroleum products covered by this Order.

XXX XXX XXX

Section 6. Implementing Guidelines. The DOF, through the BIR and the BOC, and the DOE, may issue such rules, regulations, and guidelines, as may be necessary, to effectively implement this Order and ensure compliance with the requirements of RA No. 12316."

Accordingly, all internal revenue officials and employees are hereby directed to take cognizance of the foregoing provisions and ensure compliance therewith, insofar as the same affects the administration of excise taxes on petroleum products under Section 148 of the National Internal Revenue Code of 1997, as amended.

Pending the issuance of more specific implementing rules and guidelines, all concerned offices shall be guided by the provisions of EO No. 114, Series of 2026, RA No. 12316, and existing revenue issuances on excise taxes on petroleum products.

All internal revenue officials and employees are hereby enjoined to follow, observe, and give this Revenue Memorandum Circular as wide a publicity as possible.

CHARLITO MARTIN R. MENDOZA
Commissioner of Internal Revenue

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ANNEX "A"
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MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 114

TEMPORARILY SUSPENDING THE EXCISE TAXES ON SPECIFIC PETROLEUM PRODUCTS PURSUANT TO SECTION 148 OF REPUBLIC ACT NO. 8424, OR THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

WHEREAS, Section 148 of Republic Act (RA) No. 8424 or the "National Internal Revenue Code of 1997," (NIRC) as amended, imposes excise taxes on refined and manufactured mineral oils and motor fuels;

WHEREAS, Section 1 of RA No. 12316, further amending Section 148 of the NIRC, as amended authorizes the President, upon recommendation of the Development Budget Coordination Committee (DBCC), in coordination with the Department of Energy (DOE), to temporarily suspend or reduce the excise tax on petroleum products when the average Dubai crude oil price based on the Mean of Platts Singapore (MOPS) reaches or exceeds Eighty United States Dollars (USD80) per barrel for the one (1) month period immediately preceding the issuance of an order;

WHEREAS, on 10 April 2026, the DOE certified that the average Dubai crude oil price based on MOPS covering the last thirty (30) calendar days has reached USD93.71 per barrel; and

WHEREAS, the DBCC, through Resolution No. 2026-3, recommended the full suspension of excise taxes on Liquefied Petroleum Gas (LPG), except when used as raw material for production of petrochemical products or used for motive power, and kerosene, except when used as aviation fuel, for a period of three (3) months, subject to review on a monthly basis;

NOW, THEREFORE, I, FERDINAND R. MARCOS JR., President of the Philippines, by virtue of the powers vested in me by law and the Constitution, do hereby order:

Section 1. Temporary Suspension of Excise Taxes on Specific Petroleum Products. The excise taxes on LPG, except when used as raw material for production of petrochemical products or used for motive power, and kerosene, except when used as aviation fuel, are hereby fully suspended for a period of three (3) months from effectivity of this Order.

Section 2. Review During the Temporary Suspension. The suspension shall be subject to monthly review by the DBCC, which shall recommend to the President the continuation, modification, extension, or termination thereof.

Section 3. Automatic Reversion of Rates. The excise tax rates on petroleum products shall automatically revert to the rates prescribed under Section 148 of the NIRC, as amended, without need of further issuance, upon the occurrence of any of the following, whichever comes first:

i. One (1) week after the one (1)-month average Dubai crude oil price based on MOPS falls below USD80 per barrel, as certified by the DOE; or
ii. Upon expiration of the duration provided under Section 2 hereof.

Section 4. Monitoring and Inventory Requirement. The DOE and the Department of Finance (DOF), through the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC), are directed to conduct an inventory of existing stocks of LPG and kerosene as of the effectivity of this Order.

The BIR and the BOC shall likewise submit to Congress monthly information on the declared value and volume of petroleum products covered by this Order.

Section 5. Submission of Data. The DOE is hereby directed, consistent with its mandate and in accordance with RA No. 12316 and other applicable laws, to require oil companies to submit, on a monthly basis, information on the cost components of petroleum products covered by this Order during the period of suspension of excise taxes thereon. The DOE shall submit such information to the DBCC and Congress, as required under RA No. 12316.

Section 6. Implementing Guidelines. The DOF, through the BIR and the BOC, and the DOE, may issue such rules, regulations, and guidelines, as may be necessary, to effectively implement this Order and ensure compliance with the requirements of RA No. 12316.

Section 7. Separability. If any section or part of this Order is declared unconstitutional or invalid, the other sections or provisions not otherwise affected shall remain in full force and effect.

Section 8. Repeal. All orders, rules and regulations, and other issuances or parts thereof which are inconsistent with the provisions of this Order, are hereby repealed or modified accordingly.

Section 9. Effectivity. This Order shall take effect immediately upon its publication in the Official Gazette or a newspaper of general circulation.

DONE, in the City of Manila, this 16th day of April, in the year of our Lord, Two Thousand and Twenty-Six.

[redacted]

By the President:

[redacted]

RALPH G. RECTO
Acting Executive Secretary

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ATTY. LOVELY V. TOLENTINO-NAVA
DIRECTOR IV
4-16-26