



Legal Watch

REVENUE REGULATION NO. 03-2026



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* Agency Name

Bureau of Internal Revenue
(BIR)

* Issuance Title

Implementing Executive Order
No. 114, Series of 2026
“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”

* Issuance Date

17 April 2026

* Link

[https://bir-cdn.bir.gov.ph/
BIR/pdf/RR%20No.%2003-
2026.pdf](https://bir-cdn.bir.gov.ph/BIR/pdf/RR%20No.%2003-2026.pdf)

SUMMARY

This revenue regulation implements Executive Order (EO) No. 114 which temporarily suspended the imposition of excise taxes on Liquefied Petroleum Products (LPG), except when used as raw material for the production of petrochemical products or used for motive power, and Kerosene, except when used as aviation fuel, in accordance with Section 148 of the NIRC.

The regulation provides the following:

- a. Beginning 17 April 2026, the imposition of excise taxes on the following petroleum products is suspended:
 1. LPG, except when used as raw material for the production of petrochemical products or used for motive power; and
 2. Kerosene, except when used as aviation fuel.
- b. The suspension of excise taxes shall apply only to those petroleum products removed from the place of production or customs custody after the effectivity of the EO.
- c. The temporary suspension shall be for a period of three (3) months from the effectivity of the EO and shall be subject to monthly review by the Development Budget Coordination Committee (DBCC), which shall recommend to the President the continuation, modification, extension, or termination thereof.
- d. The excise tax rates shall automatically revert to the prescribed rates under Section 148 of the NIRC, without need for further issuances, upon the occurrence of any of the following:
 1. One (1) week after the one (1)-month average Dubai crude oil price based on Mean of Platts Singapore (MOPS) falls below USD 80 per barrel, as certified by the Department of Energy; or
 2. Upon expiration of the three month period.





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SUMMARY

e. Manufacturers of domestically-produced LPG and kerosene and importers of LPG and kerosene products shall submit returns and reports shall continue to submit returns and reports with stamp or remarks “EO No. 114, Series of 2026.”

ACTIONABLE ADVICE

Taxpayers engaged in the manufacture, importation, storage, or withdrawal of LPG and kerosene should immediately review their inventory, tax return, and withdrawal documentation to ensure that the temporary excise tax suspension is properly applied only to covered products and only for removals made after the effectivity of EO No. 114. Local manufacturers should continue filing excise tax returns using a “zero” rate with the required EO No. 114 remark, while importers should ensure that their release documents carry the required notation. Concerned taxpayers should also prepare and submit the notarized stock inventory as of 16 April 2026 within the prescribed period, and should closely monitor the possible automatic reversion of the regular excise tax rates after the three-month suspension period or upon the occurrence of the price-based trigger under the regulation.

