

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Thirteenth Congress
First Regular Session



HOUSE BILL NO. 3414

Introduced by HONORABLE LUIS R. VILLAFUERTE

EXPLANATORY NOTE

Typhoon, floods, earthquakes, storm surges and landslides and other natural calamities always leave many families homeless, destitute and penniless. Some victims get drowned, buried under landslides or electrocuted on fallen electric wires or posts, or get afflicted by ailments and diseases.

While the government through the Department of Social Welfare and Development, the Philippine National Red Cross, the National Disaster Coordinating Center, and the Office of the President are not wanting in their efforts to alleviate the needs of the calamity victims, the magnitude of the problem and assistance invariably requires voluntary donations from the private sector.

It is felt that private donors will be given greater inducement to give material assistance or monetary contributions if the value of such donations is made tax deductible up to a limited extent. The persuasion for this line of thinking is the same principle which makes charitable donations tax deductible.

It is, however, provided in this bill that the tax deductibility shall only be up to not more than sixty percent (60%) of the actual amount or value in kind of the donations or contributions, in order to retain the humanitarian aspect of voluntary assistance through

through donations and contributions, and mitigate the entire reliance on tax benefits as an inducement or motivation. Moreover, the tax deductions, being only partial, it is also non-recurring as such deductions are only available on the occasion or occurrence of calamities.

Considering the merits of this bill, its early approval is earnestly requested.



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AN ACT
MAKING DONATIONS OR CONTRIBUTIONS IN CASH OR IN
KIND FOR VICTIMS OF TYPHOONS, FLOODS, LANDSLIDES,
EARTHQUAKES, STORM SURGES, TIDAL WAVES OR OTHER
NATURAL CALAMITIES, DEDUCTIBLE FROM TAXABLE
INCOME WITHIN PRESCRIBED LIMITS

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

SECTION 1. Declaration of Policy. It is hereby declared the policy of the Government that donations or contributions to aid victims of natural calamities such as typhoons, floods, landslides, earthquakes, storm surges, tidal waves or other natural calamities are deductible from the taxable income of the donor or contributor within the prescribed limits herein stated.

SECTION 2. Percentage of Deductibles. The amount or value of donations or contributions in cash or in kind to aid the victims of natural calamities are deductible from the taxable income of persons, partnerships or corporations making such donation or contribution, but the tax deduction shall be allowed only up to sixty percent (60%) of the actual amount or value of the donation or contribution.

Tax deductible claims are valid provided that such donations or contributions are fully receipted by the authorized representative of the government office, local government unit or non-stock non-profit foundation handling the relief effort and authorized to distribute the relief or rehabilitation of or cash grants to the calamity victims.

SECTION 3. Applicable Fiscal Year. The donations or contributions referred to in the preceding paragraph are deductible only from the net income of the donor or contributor in the year in which the donation or contribution was made.

SECTION 4. Repealing Clause. Any act or law or portion thereof contrary to or inconsistent with the provisions of this Act is hereby repealed or deemed amended.

SECTION 5. This Act shall take effect upon its approval.

APPROVED,