



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Thirteenth Congress
First Regular Session

3418

HOUSE BILL NO. _____

Introduced by HONORABLE LUIS R. VILLAFUERTE

EXPLANATORY NOTE

This bill seeks to exempt from taxation all prizes given to the winning participants in local competitions in the fields of arts and culture, sports, science, environment and information technology sponsored by the local government units, schools, colleges or universities, parents-teachers associations, civic organizations, and non-stock and non-profit foundations.

The rationale for this bill is that the competitions stated and contemplated herein are held especially for the purpose of giving encouragement, recognition, honor and award to local talents on various communities throughout the country, mostly students or even out-of-school youth and occasionally, to young professionals starting in their careers.

Participants in these competitions invariably lend their participation in these occasions motivated more by their civic spiritedness rather than their expectation of cash prizes awarded. Cash prizes may even be incidental, the receipt of medals,

trophies and certificates of achievement may even be the more overriding motivation. In most cases, participants are exposed to financial burdens themselves which are not tax deductible and the tax exemption proposed in this bill will somehow cushion such burdens and provide some incentives to participants in the competitions contemplated in this bill specially because the value of the prizes at stake in most cases are not very much more than the expenses to be incurred in the participation to said events.

It is argued that while the prizes in some international competitions were accorded the privilege of tax exemption or other liberal tax treatments, there is no compelling reason not to grant the same incentive to local competitions as contemplated herein.

In view of the abovementioned purposes, the immediate passage of this bill is requested.



LUIS R. VILLAFUERTE

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HOUSE BILL NO. **3418** _____

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AN ACT
EXEMPTING FROM TAXES THE PRIZES RECEIVED BY
CONTESTANTS IN LOCAL COMPETITIONS IN THE FIELDS
OF ARTS AND CULTURE, SPORTS, SCIENCE, ENVIRONMENT,
AND INFORMATION TECHNOLOGY SPONSORED BY THE
LOCAL GOVERNMENT UNITS, SCHOOLS, COLLEGES AND
UNIVERSITIES, PARENTS-TEACHERS ASSOCIATIONS, CIVIC
ORGANIZATIONS, OR NON-STOCK AND NON-PROFIT
FOUNDATIONS.

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

SECTION 1. All prizes in cash or in kind, including honoraria and gifts given to the winning participants in local competitions in the fields of arts and culture, sports, science, environment and information technology sponsored by the local government units, schools, colleges, and universities, parents-teachers associations or non-stock and non-profit foundations

SECTION 2. This Act shall take immediate effect upon its approval.

APPROVED,