



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



Thirteenth Congress
Third Regular Session

HOUSE BILL NO. 5731

Introduced by Honorable Acmad M. Tomawis

EXPLANATORY NOTE

Section 18, Article II (*Declaration of Principles and State Policies*) of the 1987 Constitution provides that *"The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare."*

This bill seeks to exempt Overseas Filipino Workers (OFWs) from the payment of taxes and customs duties on motor vehicles brought into the Philippines.

Overseas employment plays a very important role in the financial stability and economic growth of our country. The OFWs have been consistently contributing about 8 Billion US Dollars annually, thus making the Philippine peso strong and broadening the economic base of our country. These remittances generate livelihood activities for our people, particularly, in the countryside.

Thus, it is imperative that the welfare of these OFWs be given foremost consideration in the agenda of the government. They are often referred to as the "modern heroes" yet they receive less benefits and privileges from the government.

As a recognition of the OFWs' immense contribution to our country's economy, this measure is an affirmative response to their needs as it would provide them an incentive, to encourage them to save a portion of their earnings from abroad to ensure that their families will have comfortable means of transportation. It is aimed at making life more rewarding and fulfilling for OFWs when they return to the Philippines for good. Indeed, owning a car is a cherished aspiration for most of our people, particularly among the middle class of our society. Today, owning a car or a motor vehicle is a necessity rather than a luxury for it facilitates mobility.

In view of the foregoing, approval of this bill is highly sought.



ACMAD M. TOMAWIS



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AN ACT
EXEMPTING OVERSEAS FILIPINO WORKERS FROM PAYMENT
OF TAXES AND CUSTOM DUTIES ON MOTOR VEHICLES
BROUGHT INTO THE PHILIPPINES UNDER CERTAIN
CONDITIONS.

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

SECTION 1. Any provision of existing laws to the contrary notwithstanding, Overseas Filipino Workers (OFWs) shall be exempt from payment of taxes and custom duties on motor vehicles brought into the Philippines under the following conditions:

- (a) The overseas workers must have worked overseas for a continuous and uninterrupted period of not less than five (5) years;

(b) Only one (1) motor vehicle is allowed exemption for every period of five (5) years; and

(c) The cost of acquisition of the motor vehicle in the country of origin does not exceed Ten Thousand US Dollars (\$10,000.00) or its equivalent in Philippine currency.

For purposes of this Act, "*motor vehicle*" refers to any sedan, utility vehicle, or passenger van.

SEC. 2. The motor vehicle covered by the exemption cannot be sold, leased, donated or otherwise disposed of unless the taxes, duties or charges due thereon shall have been fully paid.

SEC. 3. The Secretary of Finance, in coordination with the Department of Labor, shall promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 4. All laws, decrees, orders, rules and regulations, and other issuances, or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 5. This Act shall take effect fifteen (15) days following its publication in at least two (2) national newspapers of general circulation.

Approved,