

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

13th Congress
Third Regular Session

HOUSE BILL NO. 5950



Introduced by Representative ABRAHAM KAHLIL B. MITRA

EXPLANATORY NOTE

Technology and technological innovations are purposely introduced for the advancement of the developing human race. It has been an important tool in setting global trend of advancements. In fact, our society has undeniable reliability to these advancements especially on information technology. The influence of information technology has far been redefining our country emerging from a manually motivated into a limitless, broadly informed society.

Compared to other countries, however, Philippines is only at a grasp of information technology that is mostly centered on areas that may afford the high cost of computers. This could be an alarming scenario knowing that without information technology, we will encounter a more devastating illiteracy than any we have known in the past, one that will create a gap in society deeper and more differentiating than any we have experienced. Ready or not, this transformation is coming. It is therefore necessary for us to know how to acquire pertinent information from a vast sea of electronic data and make this readily available to use even for the common individual.

To remedy to this situation, this measure is proposed with the goal of ensuring easy acquisition of computer hardware and software by making sure that such equipment is cheaper and affordable. This comes with the hope that schools will be able to acquire computers and in the process integrate information technology courses in their curriculum.

By then, we will be assured that our country may keep track of the fast pace of technological advancement. Thus, the approval of this bill is earnestly sought.


ABRAHAM KAHLIL B. MITRA
2nd District of Palawan

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

13th Congress
Third Regular Session

HOUSE BILL NO. 5950

Introduced by Representative ABRAHAM KAHLIL B. MITRA

AN ACT
EXEMPTING THE SALE OR IMPORTATION OF COMPUTER HARDWARE AND SOFTWARE
FROM THE PAYMENT OF VALUE ADDED TAX AND DONATIONS THEREOF FROM
DONOR'S TAX, AMENDING FOR THE PURPOSE SECTION 109 OF THE NATIONAL
INTERNAL REVENUE CODE OF 1997, AS AMENDED.

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

3
4 SECTION 1. Section 109 of the National Internal Revenue Code of 1997, as
5 amended, is hereby further amended to read as follows:

6
7 "Section 109. *Exempt Transactions.* – The following shall exempt from the
8 value added tax:

- 9
10 (a) X X X;
11 (b) X X X;
12 (c) X X X;
13 (d) X X X;
14 (e) X X X;
15 (f) X X X;
16 (g) X X X;
17 (h) X X X;
18 (i) X X X;
19 (j) X X X;
20 (k) X X X;
21 (l) X X X;
22 (m) X X X;
23 (n) X X X;
24 (o) X X X;
25 (p) X X X;
26 (q) X X X;
27 (r) X X X;

1 (s) X X X;

2 (t) X X X;

3 (u) X X X;

4 (v) X X X;

5 (w) X X X;

6 (x) X X X;

7 (y) X X X;

8 (z) X X X;

9 (aa) **SALE OR IMPORTATION OF COMPUTERS INCLUDING COMPUTER**
10 **SOFTWARE AND HARDWARE.**

11
12 XXX..."

13
14 SECTION 2. *EXEMPTION FROM DONOR'S TAX* – ANY PERSON WHO SHALL
15 MAKE A DONATION OF ANY COMPUTER INCLUDING COMPUTER SOFTWARE AND
16 HARDWARE TO ANY EDUCATIONAL INSTITUTION WHETHER PUBLIC OR PRIVATE, TO
17 THE NATIONAL GOVERNMENT, ANY ENTITY CREATED BY ANY OF ITS AGENCIES
18 WHICH IS NOT CONDUCTED FOR PROFIT, TO ANY OF ITS POLITICAL SUBDIVISION,
19 OR TO AN ACCREDIETD NON-GOVERMENTAL ORGANIZATION SHALL BE EXEMPT
20 FROM THE PAYMENT OF THE CORRESPONDING GIFT TAX.

21
22 SECTION 3. *Separability Clause.* -- Any portion or provision of this Act that may
23 be declared unconstitutional shall not have the effect of nullifying other portions or provisions
24 hereof, as long as such remaining portions or provisions can still subsist and be given effect
25 in their entirety.

26
27 SECTION 4. *Repealing Clause.* – All provision of laws, orders, decrees, including
28 rules and regulations inconsistent herewith are hereby repealed or modified accordingly.

29
30 SECTION 5. *Effectivity.* -- This Act shall take effect after fifteen (15) days from the
31 completion of its publication in at least two (2) newspapers of general circulation.

32
33 *Approve,*