

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 6033



Introduced by HON. LUIS R. VILLAFUERTE AND HON. HERMINIO G. TEVES

EXPLANATORY NOTE

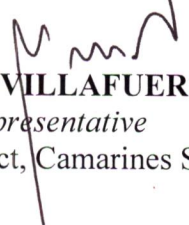
One of the basic principles of a sound tax system is equality or theoretical justice. This simply means that the tax burden should be in proportion to the taxpayer's ability to pay. This reflects how progressive a tax system is.

The National Internal Revenue Code of 1997 (NIRC of 1997), as amended, provided for this principle by way of having a multi-bracketed income tax base and by granting personal and additional exemptions for each status of taxpayer.

However, some taxpayer classification seemed to have been overlooked when the law was passed, which need to be addressed immediately. As an example, widowed individuals are classified as head of family, whereas when their spouses were living, they were classified as married and enjoyed a higher amount of exemption. The same is true for single parents, whether unmarried or legally separated, with qualified dependents. These two groups of individuals need the more reasonable exemption since the absence/demise of their respective partners.

To correct this infirmity, this bill proposes to amend Section 35 of the NIRC of 1997, as amended, regarding the allowance of personal exemption for individual taxpayers. It is believed that the increase in the amount of personal exemption that the single parent, widow or widower will enjoy in the 'married individual' category (P32,000) from 'head of family' category (P25,000) will help them even in a little way to cope with the current economic crunch.

Hence, urgent approval of this measure is earnestly sought.


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Representative
2nd District, Camarines Sur


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AN ACT
TO INCLUDE SINGLE PARENT, WIDOW OR WIDOWER IN THE CATEGORIES
ENTITLED FOR ALLOWANCE OF PERSONAL EXEMPTION FOR INDIVIDUAL
TAXPAYER AMENDING SEC. 35 (A) OF REPUBLIC ACT 8424, OTHERWISE
KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS
AMENDED

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

SECTION 1. Section 35 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:

“Sec. 35. *Allowance of Personal Exemption for Individual Taxpayer.* –

“(A) *In General.* - For purposes of determining the tax provided in Section 24(A) of this title, there shall be allowed a basic personal exemption as follows:

“For single individual or married individual judicially decreed as legally separated with no qualified dependents	P20,000
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“For head of family	25,000
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“For each married individual; WIDOW OR WIDOWER; SINGLE PARENT WITH QUALIFIED DEPENDENT (S)	32,000
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“In the case of married individuals, where only one of the spouses is deriving gross income, only such spouse shall be allowed the personal exemption.

“A WIDOW OR WIDOWER HEREOF SHALL RETAIN HIS/HER MARRIED STATUS AND BE ENTITLED TO THE SAME PERSONAL EXEMPTION AS A MARRIED INDIVIDUAL.”

“A SINGLE PARENT WITH QUALIFIED DEPENDENT(S) AS DEFINED IN SUBSECTION (B) HEREOF SHALL MEAN AN UNMARRIED OR LEGALLY SEPARATED INDIVIDUAL WITH ONE OR MORE LEGITIMATE OR RECOGNIZED NATURAL CHILDREN LIVING WITH AND DEPENDENT UPON HIM/HER FOR THEIR CHIEF SUPPORT. ”

“For purposes of this paragraph, the term ‘**head of family**’ means A [an unmarried or legally separated] man or woman with one or both parents, or with one or more brothers or sisters, or with one or more [legitimate, recognized natural or] legally adopted children living with and dependent upon him/HER for their chief support, where such brothers or sisters or children are not more than twenty-one (21) years of age, unmarried and not gainfully employed or where such children, regardless of age are incapable of self support because of mental or physical defect.”

“x x x x x x”

SEC. 2. *Separability Clause.* - If any provision of this Act is declared invalid or unconstitutional, other provisions hereof which are not affected thereby shall continue to be in full force and effect.

SEC. 3. *Repealing Clause.* - Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to, or inconsistent with any provision of this Act is hereby repealed or modified accordingly.

SEC. 4. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two national newspapers of general circulation, whichever date comes earlier.

Approved.