

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

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 1507

INTRODUCED BY HON. MARCELINO "MARCY" R. TEODORO

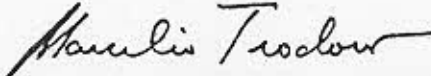
EXPLANATORY NOTE

This proposed measure seeks to provide tax relief by exempting documents evidencing the receipt of personal property as security for a loan of money not exceeding ten thousand pesos (P10,000) from the payment of Documentary Stamp Tax.

It amends Section 199 of the National Internal Revenue Code of 1997, as amended, by providing an additional proviso that pledge documents, deeds of trust or other papers evidencing the receipt of personal property on loans as security for the payment of money shall be exempted from documentary stamp tax.

Having in mind that many Filipinos would resort to loan or pledge in times of dire need, hence, it will surely ease the pockets of our less fortunate brothers, and thereby dispensing the payment of unnecessary fees and taxes on their part.

In view of the foregoing, approval of this proposal is earnestly sought.


MARCELINO "MARCY" R. TEODORO
Representative, 1st District
City of Marikina

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AN ACT
EXEMPTING PLEDGE OF PERSONAL PROPERTY COVERING A LOAN OF MONEY
NOT EXCEEDING TEN THOUSAND PESOS FROM DOCUMENTARY STAMP TAX,
AMENDING FOR THE PURPOSE THE NATIONAL INTERNAL REVENUE CODE OF
1997, AS AMENDED

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

SECTION 1. Section 199 of the National Internal Revenue Code of 1997, as amended by Republic Act No. 9243, is hereby further amended to read as follows:

"SEC. 199. *Documents and Papers Not Subject to Stamp Tax.* – "x x x

"(o) **PLEDGE DOCUMENTS, DEEDS OF TRUST OR OTHER PAPERS EVIDENCING THE RECEIPT OF PERSONAL PROPERTY ON LOANS AS SECURITY FOR THE PAYMENT OF ANY DEFINITE AND CERTAIN SUM OF MONEY WHERE THE PRINCIPAL AMOUNT LOANED DOES NOT EXCEED TEN THOUSAND PESOS (PHP10,000.00): PROVIDED, THAT ANY LOAN DOCUMENT CONTAINING A SECURITY OF PERSONAL PROPERTY SHALL STILL BE SUBJECT TO STAMP TAX AS PROVIDED FOR IN SECTION 179 OF THIS CODE.**"

SEC. 2. *Implementing Rules and Regulations.* – The Secretary of Finance shall, upon the recommendation of the Commissioner of Internal Revenue, promulgate and publish the necessary rules and regulations for the effective implementation of this Act.

SEC. 3. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulations or parts thereof which are inconsistent with this Act are hereby repealed, amended or modified accordingly.

SEC. 4. *Effectivity.* – This Act shall take effect fifteen (15) days following its publication in the *Official Gazette* or in a newspaper of general circulation, whichever is earlier.

Approved,