

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4026

Introduced by Representative MARLYN PRIMICIAS-AGABAS

EXPLANATORY NOTE

It has been the declared policy of the State to protect and promote the welfare of disabled persons who cannot fully take care of themselves by reason of some physical or mental impairment.

Section 2 (a) of Republic Act 7277 otherwise known as the Magna Carta for Disabled Persons which was enacted in 1992 emphasizes that "[d]isabled persons are part of Philippine society, thus the State shall give full support to the improvement of the total well-being of disabled persons and their integration into the mainstream of society. Toward this end, the State shall adopt policies ensuring the rehabilitation, self-development and self-reliance of disabled persons. It shall develop their skills and potentials to enable them to compete favorably for available opportunities."

In order to fully realize the spirit of the law in giving full support to the well-being of disabled persons, it is not only helpful but essential to enact laws which will provide aid to persons charged with the caring of disabled persons, specifically those persons who derive their earnings from compensation income or common employees. Due to the huge cost related in caring for persons with special needs like rehabilitation and medication, the government should take steps in taking these into consideration.

The proponent believes that an increase in additional exemption of fifty thousand pesos (Php50,000.00) from twenty five thousand pesos (Php25,000.00) granted to an individual taxpayer for every dependent with disability, not exceeding four (4), shall give taxpayers margin for necessary expenses. The proposed measure may not work in favor of the government but it will definitely alleviate the burden of many of our people who have dependents with disabilities who need more care and attention which, in turn, require extra expenses and costs.

In view of the foregoing, the immediate passage of this bill is earnestly sought.


MARLYN PRIMICIAS-AGABAS
6th District, Pangasinan

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AN ACT
GRANTING ADDITIONAL EXEMPTION FOR DEPENDENTS WITH
DISABILITIES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO.
9504, OTHERWISE KNOWN AS "AN ACT AMENDING SECTIONS 22, 24,
34, 35, 51 AND 79 OF REPUBLIC ACT NO. 8424, AS AMENDED,
OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE
OF 1997," AND FOR OTHER PURPOSES

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

SECTION 1. Section 4 of Republic Act 9504 is hereby amended to read as follows:

"Sec. 4. Section 35(A) and (B) of Republic Act No. 8424, as amended, otherwise known as the National Internal Revenue Code of 1997, 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 amounting to Fifty thousand pesos (P50,000) for each individual taxpayer.

In the case of married individuals where only one of the spouse is deriving gross income, only such spouse shall be allowed the personal exemption.

(B) Additional Exemption for Dependents. – There shall be allowed an additional exemption of Twenty-five thousand pesos (P25,000) for each dependent.

For purposes of this Subsection, a 'dependent' means a legitimate, illegitimate or legally adopted child chiefly dependent upon and living with the taxpayer if such dependent is not more than twenty-one (21) years of age, unmarried and not gainfully employed.

(C) Additional Exemption for Dependents with Disabilities. – There shall be allowed an additional exemption of Fifty thousand pesos (P50,000) for each dependent with disability.

For purposes of this Subsection, a 'dependent with disability' means a person incapable of self-support because of mental or physical defect.

(D) **Additional Guidelines.** – The combined additional exemptions for dependents and dependents with disabilities shall not exceed four (4).

The additional exemptions for dependents and dependents with disabilities shall be claimed by only one of the spouses in the case of married individuals.

In the case of legally separated spouses, additional exemptions may be claimed only by the spouse who has custody of the child or children: Provided, that the total amount of additional exemptions that may be claimed by both shall not exceed the maximum additional exemptions herein allowed.

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SECTION 2. *Implementing Rules and Regulations.* – In order to carry out the provisions of this Act, the Bureau of Internal Revenue shall formulate rules and regulations within ninety (90) days from the effectivity of this Act.

SECTION 3. *Separability Clause.* – If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or provision not otherwise affected shall remain valid and subsisting.

SECTION 4. *Repealing Clause.* – All laws, acts, ordinances, executive orders, proclamations and administrative regulations, or parts thereof which are inconsistent herewith are hereby repealed or modified accordingly.

SECTION 5. *Effectivity.* – This act shall take effect immediately after its publication in two (2) newspapers of general circulation.

Approved,