

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

15th CONGRESS
First Regular Session

HOUSE BILL NO. 4272

Introduced by **HONORABLE HERMILANDO I. MANDANAS**

EXPLANATORY NOTE

Under the Philippine Constitution, it is mandated that,

“The State shall protect and promote the right of all citizens to quality education and shall take appropriate steps to make such education accessible to all.” (Article XIV, Section 1)

Section 2(2), on the other hand, provides that,

“The State shall establish and maintain a system of free public education in the elementary and high school levels.”(Underscoring supplied)

Thus, government shall take necessary measures to attain optimum educational development for our youth as future contributors in nation building.

This bill seeks to exempt certificates, diplomas, transcript of records, and clearances issued to pupils and students by public elementary and secondary schools or any office of the Department of Education from the imposition and payment of documentary stamp tax. At present, such documents are being subjected to documentary stamp tax in the amount of Fifteen Pesos (P15.00) by the Bureau of Internal Revenue. However, it is not clear from the aforementioned provision of the Code that certificates, diplomas, transcripts of records and clearances issued to pupils or students in public elementary and high schools are included in the coverage.

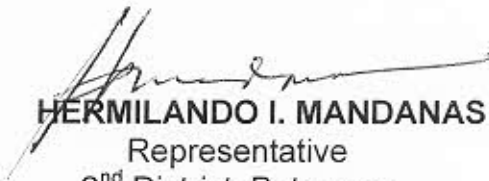
Documentary Stamp Tax is an excise tax upon documents, instruments, loan agreements and papers, and upon acceptances, assignments, sales, and transfers of the obligation, right or property incidents thereto. According to the Bureau of Internal Revenue (BIR), all school levels must pay documentary stamp tax on their certifications, transcripts and other records, otherwise, non-payment of document stamp tax will have the effect of non-recording of documents in the government registry, inadmissibility as evidence in courts, non-acknowledgment by the notary public or other officer authorized to administer oath.

Cognizant of the fact that most of our public school pupils or students are saddled with financial constraints, more often than not, these populace cannot even afford to buy books or sustain their schooling. As such, this measure aims to somehow reduce pupils' and students' financial burden by exempting them from paying documentary stamp tax on their certificates, diplomas, transcript of records and clearances.

Moreover, the passage into law of this Act must not alter the nature, admissibility, and evidentiary purposes of the documents sought to be exempted from documentary stamp tax.

The quality of education of our youth is dependent on the ground level that will be provided for them. Hence, a sound legislative policy for this vulnerable sector of our society will certainly improve their intellectual and moral development which is the noble intention of this proposed bill.

The passage of this bill is earnestly sought.



HERMILANDO I. MANDANAS
Representative
2nd District, Batangas

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HOUSE BILL NO. 4272

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AN ACT
EXEMPTING FROM DOCUMENTARY STAMP TAX THE CERTIFICATES, DIPLOMAS, TRANSCRIPT OF RECORDS, AND CLEARANCES, ISSUED TO PUPILS AND STUDENTS BY PUBLIC ELEMENTARY AND SECONDARY SCHOOLS, OR ANY OFFICE OF THE DEPARTMENT OF EDUCATION, AMENDING FOR THE PURPOSE SECTION 199 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED.

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

SECTION 1. Section 199 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:

" SEC. 199. Documents and Papers not Subject to Stamp Tax – X X X

X X X

(o) CERTIFICATES, DIPLOMAS, TRANSCRIPT OF RECORDS, AND CLEARANCES ISSUED TO PUPILS AND STUDENTS BY PUBLIC ELEMENTARY AND SECONDARY SCHOOLS, OR ANY OFFICE OF THE DEPARTMENT OF EDUCATION. "

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 (15) days after its publication in the Official Gazette or in any two (2) newspapers of general circulation.

Approved,