

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
Second Regular Session

House Bill No. 5672



Introduced by Representatives Mariano Michael M. Velarde and Irwin C. Tieng
(BUHAY Party List)

EXPLANATORY NOTE

In a study conducted by the Asian Development Bank, the difficulties of disabled Filipinos are detailed, to wit:

Persons with disabilities have limited access to basic social services. Access is a key problem when buildings are not constructed according to code. Access to education, access to health care, access to employment, and access to transportation are all severely limited for persons with disabilities. But access questions go beyond the physical. For example, there are very few schools in the Philippines that accept children with disabilities because of both a lack of appropriate school facilities and a lack of appropriately trained teachers. Data from the Department of Education show that less than 3% of children and youth with disabilities have access to basic education.

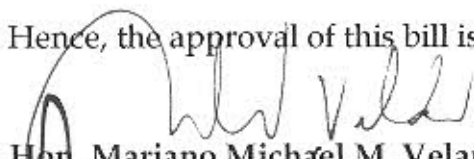
In conclusion, the Asian Development Bank observed that: "disabled Filipinos remain among the poorest of the poor. Most live in rural areas where social exclusion and isolation are part of their daily lives and experience. The link between poverty and disability goes two ways: not only does disability add to the risk of poverty, but conditions of poverty add to the risk of disability."

Clearly, Filipinos who are physical or mentally disabled are faced with wide-ranging social, economic, and institutional difficulties in leading their lives. Obviously, such burden is suffered not only by the disabled, but by his or her loved ones as well, particularly the parents of dependent disabled children. Now, if this country is to adhere to both the Magna Carta for Disabled Persons and its Constitution which stress the importance of rehabilitation, self-development, self-reliance, and integration into mainstream society of persons with disabilities, then there must be a concrete action towards at least easing the burden of the disabled Filipinos and their families.

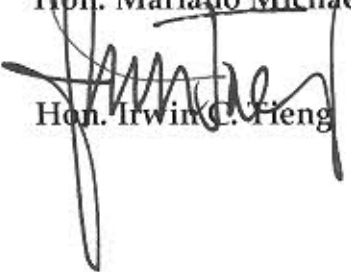
It is in this light, this bill seeks to somehow alleviate, in a definite manner, the financial hardships of Filipinos with dependents who are disabled by increasing

their tax exemption for such dependents under the existing National Internal Revenue Code.

Hence, the approval of this bill is earnestly requested.



Hon. Mariano Michael M. Velarde Jr.



Hon. Irwin C. Fieng

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AN ACT INCREASING THE ADDITIONAL EXEMPTION FOR TAXPAYERS WITH DEPENDENTS INCAPABLE OF SELF-SUPPORT BECAUSE OF MENTAL OR PHYSICAL DEFECT OR WITH DISABILITIES AND BOTH SPOUSES TO CLAIM THE SAME, AMENDING FOR THE PURPOSE SECTION 35 (B) OF REPUBLIC ACT NO. 8424, AS AMENDED BY REPUBLIC ACT NO. 9504, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF THE PHILIPPINES, AND FOR OTHER PURPOSES

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

SECTION 1. - Section 35 (B) of Republic Act No. 8424, as amended by Republic Act No. 9504, otherwise known as the National Internal Revenue Code of the Philippines, is hereby amended to read as follows:

"SEC. 35 (B). Additional Exemption for Dependents. - There shall be allowed an additional exemption of Twenty-Five Thousand Pesos (P25,000.00) for each dependent not exceeding four (4): PROVIDED, THAT IN THE CASE OF TAXPAYERS WITH DEPENDENTS INCAPABLE OF SELF-SUPPORT BECAUSE OF MENTAL OR PHYSICAL DEFECT OR WITH DISABILITY, THE ADDITIONAL EXEMPTION SHALL BE THIRTY THOUSAND PESOS (P30,000) FOR EACH.

The additional exemption for dependents shall be claimed by only one of the spouses in the case of married individuals: PROVIDED, THAT IN THE CASE OF DEPENDENTS INCAPABLE OF SELF-SUPPORT BECAUSE OF MENTAL OR PHYSICAL DEFECT OR WITH DISABILITY, THE ADDITIONAL EXEMPTION SHALL BE CLAIMED BY BOTH SPOUSES.

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

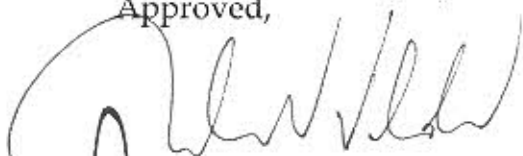
gainfully employed or if such dependent, regardless of age, is incapable of self-support because of mental or physical defect OR DISABILITY."

SEC. 2. *Separability Clause.* - If any provision of this Act shall at any time be found to be unconstitutional or invalid, the remainder thereof not affected by such declaration shall remain in full force and effect.

SEC. 3. *Repealing Clause.* - All laws, decrees, rules or regulations inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 4. *Effectivity Clause.* - This Act shall take effect after fifteen (15) days following its complete publication in two (2) newspapers of general circulation.

Approved,



Hon. Mariano Michael M. Velarde Jr.



Hon. Irwin C. Tieng