

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Fifteenth (15th) Congress
Second Regular Session

HOUSE BILL NO: 6092



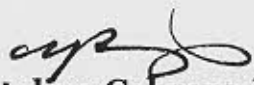
Introduced by **Honorable Catalina Cabrera-Bagasina**
Association of Laborers and Employees "ALE" Party-list

EXPLANATORY NOTE

This bill seeks to amend the section 32(b)(7)(e) of Republic Act No. 8424 otherwise known as the National Internal Revenue Code of 1997. This amendment will not only increase the tax exemption for all earners but the additional exemptions for individuals especially the fringe benefits of the working class.

Lowering the taxes paid by the lower class will greatly improve their economic standing and will further empower them to completely eradicate, if not alleviate them from poverty.

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


Hon. Catalina Cabrera-Bagasina

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Introduced by **Honorable Catalina Cabrera-Bagasina**
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AN ACT

AMENDING SECTION 32 (B) (7) (E) OF REPUBLIC ACT NO. 8424, AS AMENDED, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF 1997.

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

Section 1. Short Title. - This Act shall be cited as the "Tax Reform Act of 2012".

Section 2. State Policy. - It is hereby declared the policy of the State to promote sustainable economic growth through the rationalization of the Philippine internal revenue tax system, including tax administration; to provide, as much as possible, an equitable relief to a greater number of taxpayers in order to improve levels of disposable income and increase economic activity; and to create a robust environment for business to enable firms to compete better in the regional as well as the global market, at the same time that the State ensures that Government is able to provide for the needs of those under its jurisdiction and care..

Section 3. Section 32(B)(7)(E) of Republic Act No. 8424, as amended, otherwise known as the National Internal Revenue Code of 1997, is hereby further amended to read as follows:

"Section 32(B)(7)(E)

(e) 13th Month Pay and Other Benefits. - Gross benefits received by officials and employees of public and private entities: Provided, however, That the total exclusion under this subparagraph shall not exceed

ONE HUNDRED THOUSAND PESOS (P100,000) which shall cover:

xxx

(iv) Other benefits such as productivity incentives and Christmas bonus: Provided, further, That the ceiling of **ONE HUNDRED THOUSAND PESOS (P100,000)** may be increased through rules and regulations issued by the Secretary of Finance, upon recommendation of the Commissioner, after considering among others, the effect on the same of the inflation rate at the end of the taxable year”.

Section 4. 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.

Section 5. 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 as hereby amended or modified accordingly.

Section 6. Effectivity Clause. - This Act shall take fifteen (15) days following its publication in the *official Gazette* or in at least two (2) newspaper of general circulation.

Approved,