

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS

First Regular Session

House Bill No. 504



Introduced by **Hon. Rodolfo G. Biazon**

EXPLANATORY NOTE

The State is duty-bound to give the common man a relief from the barrage of problems he encounters day to day, and support for his obligations to himself, his family, and society. One important, nay, critical social issue that constantly faces each of us that can never be set aside is health. Yet, it is quite sad that the national budget for health grows proportionately smaller each year, while the amount set aside for debt servicing steadily grows.

Priority must be given to the health of its citizens in any government's agenda if it is to build a prosperous nation. Healthy citizens contribute more to the gross national product than a sickly labor force that spends more time in sickbay than contributing to productivity.

This bill seeks to enact this line of thinking by allowing taxpayers to deduct expenses incurred for their health problems from their gross income. In this manner, the health benefits that the State is having a hard time to provide due to its limited resources, will be indirectly met through this proposed measure.

In view of the urgency of this measure, its passage is earnestly requested.


RODOLFO G. BIAZON
Representative
Lone District, Muntinlupa City

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AN ACT
INCLUDING MEDICAL EXPENSES AS ALLOWABLE TAX DEDUCTIONS FOR
INDIVIDUAL TAXPAYERS, AMENDING FOR THE PURPOSE SECTION 34 OF
REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS THE TAX REFORM ACT
OF 1997

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

SECTION 1. Section 34 of Republic Act 8424 is hereby amended to read as follows:

Sec. 34. Deductions from Gross Income. – Except for taxpayers earning compensation income arising from personal services rendered under an employer-employee relationship where no deductions shall be allowed under this Section other than under SubsectionS (M) **AND N** hereof, in computing taxable income subject to income tax under Sections 24(A); 25(A); 26; 27(A), (B) and (C); and 28(A)(1), there shall be allowed the following deductions from gross income:

(A) Expenses. –

xxx

xxx

xxx

xxx

(N) HEALTH MAINTENANCE EXPENSES – EXPENSES INCURRED AS
PAYMENTS BY THE TAXPAYER AND/OR HIS DEPENDENTS FOR

PROFESSIONAL MEDICAL FEES, INCLUDING CONSULTATION FEES, AND FOR MEDICINES PRESCRIBED FOR DIAGNOSED ILLNESSES, SHALL BE ALLOWED AS DEDUCTIONS FROM HIS GROSS INCOME: *PROVIDED*, THAT ALL SUCH EXPENSES ARE SUPPORTED BY OFFICIAL RECEIPTS, MEDICAL CERTIFICATES AND DOCTORS' PRESCRIPTIONS: *PROVIDED FURTHER*, THAT IN THE CASE OF MARRIED TAXPAYERS, SAID DEDUCTION MAY ONLY BE CLAIMED BY THE SPOUSE CLAIMING THE ADDITIONAL EXEMPTION FOR DEPENDENTS.

Notwithstanding the provisions of the preceding Subsections, the Secretary of Finance, upon the recommendation of the Commissioner, after a public hearing shall have been held for the purpose, may prescribe by rules and regulations, limitations or ceilings for any of the itemized deductions under Subsections (A) to (J), AND (N) of this Section: Provided, That for purposes of determining such ceilings or limitations, the Secretary of Finance shall consider the following factors: (1) adequacy of the prescribed limits on the actual expenditure requirements of each particular industry; and (2) effects of inflation or expenditure levels: Provided, further, That no ceilings shall further be imposed on items of expense already subject to ceilings under present law.

SEC. 2. Implementing Rules and Regulations. – The Secretary of Finance shall promulgate the necessary rules and regulations for the effective implementation of this Act.

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

SEC. 4. Effectivity. – This Act shall take effect fifteen (15) days after publication in two (2) national newspapers of general circulation.

Approved,