



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

SIXTEENTH CONGRESS

First Regular Session

House Bill 830



Introduced by Hon. Jonathan A. De la Cruz

EXPLANATORY NOTE

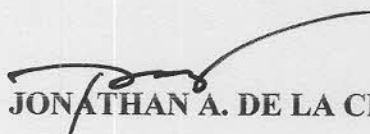
Education and life training always figure prominently as one of the most important goals of every family. That is why parents and their children go to such lengths often foregoing other needs just to ensure that at least a member of the family gets to have a respectable degree of education and training.

One of the factors accounting for a big chunk of ever increasing school fees is the tax imposed by local governments on private educational institutions.

Considering that under Section 4(3) of Article XIV of the 1987 Constitution all revenues of non-stock, non-profit educational institutions are exempt from taxes, that same privilege should likewise be granted to private educational institutions falling into the category of a stock corporation inasmuch as such is considered 'for and from educational purposes'.

In this regard, Section 143 (h) of Republic Act 7160 otherwise known as the Local Government Code of 1991 needs to be amended to exempt private educational institutions falling into the category of a stock corporation from local taxes.

In light of the above, approval of this bill is earnestly recommended.


JONATHAN A. DE LA CRUZ



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

SIXTEENTH CONGRESS

First Regular Session

House Bill No. 830

Introduced by Hon. Jonathan A. De la Cruz

AN ACT EXEMPTING PRIVATE EDUCATIONAL INSTITUTIONS FROM LOCAL TAX

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

Section 1. "Section 143 (h) of the Republic Act 7160 otherwise known as the Local Government Code of 1997 is hereby amended to read as follows:

" On any business, not otherwise specified in the preceding paragraphs, which the Sanggunian concerned may deem proper to tax: ***Provided***, That on any business subject to the excise, value added or percentage tax under the National Internal Revenue Code, as amended, the rate of tax shall not exceed two (2%) of gross sales or receipts of the preceding calendar year: ***Provided***, further, That private educational institutions falling into the category of a stock corporation shall not be subjected to any business tax."

Section 2. This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved.