

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Philippines

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2128



INTRODUCED BY HON. MARCELINO "MARCY" R. TEODORO

EXPLANATORY NOTE

This proposed measure seeks to provide tax relief by exempting documents evidencing the receipt of personal property as security for a loan of money not exceeding ten thousand pesos (P 10,000.00) from the payment of Documentary Stamp Tax.

It amends Section 199 of the National Internal Revenue Code of 1997, as amended, by providing an additional provision that pledge documents, deeds of trust or other papers evidencing the receipt of personal property on loans as security for the payment of money shall be exempted from documentary stamp tax.

Having in mind that many Filipinos would resort to loan or pledge in times of dire need, this measure will surely ease the pockets of the less fortunate, and thereby dispensing the payment of unnecessary fees and taxes on their part.

In view of the foregoing, immediate passage of this bill is hereby sought.

MARCELINO "MARCY" R. TEODORO
Representative
1st District, City of Marikina

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AN ACT EXEMPTING PLEDGE OF PERSONAL PROPERTY COVERING A LOAN OF MONEY NOT EXCEEDING TEN THOUSAND PESOS FROM DOCUMENTARY STAMP TAX, AMENDING FOR THIS PURPOSE THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

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

SECTION 1. Section 199 of the National Internal Revenue Code of 1997, as amended by Republic Act No. 9243, is hereby further amended to read as follows:

SEC. 199. *Documents and Papers Not Subject to Documentary Stamp Tax.* – x x
x

(o) PLEDGE DOCUMENTS, DEEDS OF TRUST OR OTHER PAPERS EVIDENCING THE RECEIPT OF PERSONAL PROPERTY ON LOANS AS SECURITY FOR THE PAYMENT OF ANY DEFINITE AND CERTAIN SUM OF MONEY WHERE THE PRINCIPAL AMOUNT LOANED DOES NOT EXCEED TEN THOUSAND PESOS (Php 10,000.00): *PROVIDED*, THAT ANY LOAN DOCUMENT CONTAINING A SECURITY OF PERSONAL PROPERTY MORE THAN THE SAID AMOUNT, SHALL BE SUBJECT TO STAMP TAX AS PROVIDED FOR IN SECTION 179 OF THIS CODE.

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. *Separability Clause.* – If any provisions or part hereof, is declared invalid or unconstitutional, the remainder of the law not otherwise affected shall remain valid and subsisting.

SEC. 4. *Repealing Clause.* – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provisions of this Act is hereby repealed, modified or amended accordingly.

SEC. 5. *Effectivity Clause.* — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation, whichever is earlier.

Approved,