

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2953



Introduced by Representative Nicasio M. Aliping, Jr.

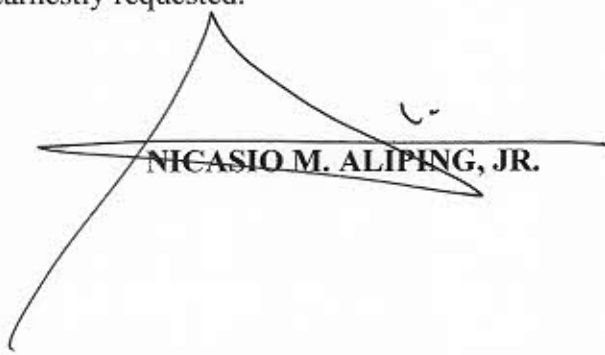
EXPLANATORY NOTE

An individual income taxpayer is allowed under Section 35 of the National Internal Revenue Code (RA No. 8424, as amended by RA No. 9504) to claim additional exemption in the amount of P25,000.00 for each dependent not exceeding four. The claim for additional exemption, however, is allowed only until any of the dependents dies, marries, becomes twenty-one years old, or becomes gainfully employed.

As the taxpayer grows older, the time will come when he can no longer claim any additional exemption for his dependents. From then on, the taxpayer pays higher income taxes sans the additional exemption. This is a burden that he will have to carry even if the taxpayer reaches his senior years.

An income taxpayer, when he becomes a senior citizen, should be allowed to claim additional exemption equivalent to the maximum amount of exemption allowed for dependents. Equity dictates that one who pays income taxes during the twilight of his life should be allowed to claim additional exemption corresponding to that which can be claimed by one who pays income taxes while he is at the prime of his life.

Approval of this bill is therefore earnestly requested.


NICASIO M. ALIPING, JR.

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AN ACT
FURTHER AMENDING SECTION 35 OF REPUBLIC ACT NO.
8424, AS AMENDED, OTHERWISE KNOWN AS THE
NATIONAL INTERNAL REVENUE CODE, TO ALLOW
SENIOR CITIZENS TO CLAIM ADDITIONAL EXEMPTION
IN DETERMINING INCOME TAX

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

SECTION 1. Section 35 of Republic Act No. 8424, as amended, otherwise known as the National Internal Revenue Code, is hereby further amended to read, as follows:

“Sec. 35. Allowance of Personal Exemption for Individual Taxpayer. –

“(A) In General. – For purposes of determining the tax provided in Section 24(A) of this title, there shall be allowed a basic personal exemption amounting to Fifty thousand pesos (P50,000) for each individual taxpayer.

“In the case of married individuals where only one of the spouses is deriving gross income, only such spouse shall be allowed the personal exemption.

“(B) *Additional Exemption for Dependents.* – There shall be allowed an additional exemption of Twenty-five thousand pesos (25,000) for each dependent not exceeding four (4).

“The additional exemption for dependents shall be claimed by only one of the spouses in the case of married individuals.

“In the case of legally separated spouses, additional exemptions may be claimed only by the spouse who has custody of the child or children: *Provided,* That the total amount of additional exemptions that may be claimed by both shall not exceed the maximum additional exemptions herein allowed.

“For purposes of this Subsection, a “dependent” means a legitimate, illegitimate or legally adopted child chiefly dependent upon 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.

“(C) *Change of Status.* – If the taxpayer marries or should have additional dependent(s) as defined above during the taxable year, the taxpayer may claim the corresponding additional exemption, as the case may be, in full for such year.

“If the taxpayer dies during the taxable year, his estate may still claim the personal and additional exemptions for himself and his dependent(s) as if he died at the close of such year.

“If the spouse or any of the dependents dies or if any of such dependents marries, becomes twenty-one (21) years old or becomes gainfully employed during the taxable year, the taxpayer may still claim the same exemptions as if the spouse or any of the dependents died, or as if such dependents married, became twenty-one (21) years old or became gainfully employed at the close of such year.

“(D) *Personal Exemption Allowable to Nonresident Alien Individual.* – A nonresident alien individual engaged in trade, business or in the exercise of a profession in the Philippines shall be entitled to a personal exemption in the amount equal to the exemptions allowed in the income tax law in the country of which he is a subject or citizen, to citizens of the Philippines not residing in such country, not to exceed the amount fixed in this Section as exemption for citizens or residents of the Philippines: *Provided,* That said nonresident alien

should file a true and accurate return of the total income received by him from all sources in the Philippines, as required by this Title.

“(E) Additional Exemption Allowable to Senior Citizen. – An individual taxpayer who is a senior citizen shall be entitled to an additional exemption in the amount equal to the maximum additional exemptions allowed for dependents: *Provided*, That the additional exemption shall be claimed by only one of the spouses in the case of married individuals; and: *Provided, further*, That the claim for additional exemption shall be divided equally between the spouses in case they are legally separated.”

SEC. 2. Separability Clause. – If any portion or provision of this Act is declared unconstitutional, the remainder of this Act or any provision not affected thereby shall remain in force and effect.

SEC. 3. Repealing Clause. – All laws, presidential decrees, letters of instruction, executive orders, rules and regulations, or any part thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

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

Approved,