

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **3160**



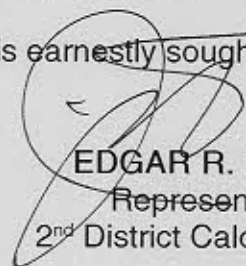
Introduced by Representative EDGAR R. ERICE

EXPLANATORY NOTE

Section 12, Article II of the 1987 Constitution provides one of the sacrosanct policies of the State, thus: "*The State recognizes the sanctity of family life and shall protect and strengthen the family as a basic autonomous social institution...*" The same sentiment has been expressed in the Family Code of the Philippines in Article 149 thereof, thus: "*The family, being the foundation of the nation, is a basic social institution which public policy cherishes and protects...*" It is only imperative, therefore, for the State to incentivize commendable individuals who made it their sole priority in life the upbringing and supervision of their immediate family, that is, those who devoted their life in rearing their children, taking care of the needs of their spouses and maintaining their household. The contributions and the concomitant needs of these non-working married individuals should only then be rightfully acknowledged by the State.

Our present law provides that working married individuals shall be entitled to personal exemption in the amount of Fifty-thousand pesos and to additional exemptions in the amount of Twenty-five thousand pesos for each dependent (i.e.: 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), which should not exceed four (4). It fails to take into consideration, however, that it is not only the children of the taxpayer who are dependent upon him for support. It is not unheard of that the non-working spouses of working married individuals also depend upon the latter for support. Thus, this bill seeks for another item of additional exemption for dependent non-working married individuals in the amount of Twenty-five thousand pesos (Php25,000.00) to be availed of by their working spouses.

In view of the foregoing, approval of this bill is earnestly sought.


EDGAR R. ERICE
Representative
2nd District Caloocan City

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AN ACT
PROVIDING ADDITIONAL EXEMPTION OF TWENTY-FIVE THOUSAND PESOS (PHP25,000.00) FOR MARRIED INDIVIDUALS WHOSE SPOUSE IS A NON-WORKING INDIVIDUAL AMENDING FOR THE PURPOSE SECTION 35(A) OF REPUBLIC ACT NUMBER 8424, OTHERWISE KNOWN AS THE TAX REFORM ACT OF 1997, AS AMENDED BY REPUBLIC ACT NUMBER 9504

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

SECTION 1. Section 35(A) of Republic Act No. 8424, otherwise known as the Tax Reform Act of 1997, as amended by Republic Act No. 9504 is hereby 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 individual where only one of the spouses is deriving gross income, only such spouse shall be allowed the personal exemption. **HOWEVER, AN ADDITIONAL EXEMPTION OF TWENTY-FIVE THOUSAND PESOS (PHP25,000.00) SHALL BE ALLOWED FOR MARRIED INDIVIDUALS WHOSE SPOUSE IS A NON-WORKING INDIVIDUAL.**

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SEC. 2. Repealing Clause. – All laws, decrees, orders, rules and regulations, or any part thereof, which are consistent with the provisions of this Act are hereby repealed, amended and modified accordingly.

SCE. 3. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) newspaper of general circulation.

Approved,