

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3176



Introduced by: Hon. Angelina "Helen" D.L. Tan, M.D.

EXPLANATORY NOTE

This proposal seeks to grant tax exemption on allowances and benefits granted to public school teachers consistent with the Constitution's mandate to "... assign the highest budgetary priority to education and ensure that teaching will attract and retain its rightful share of the best available talents through adequate remuneration and other means of job satisfaction and fulfillment" [Article XIV, Section 5 (5)].

Public school teachers are among the most underpaid and overworked professionals in our society today. Despite the fact that they are looked upon and heralded as molders of our youth and prime movers of the education system, they are not accorded the due recognition and importance they deserve.

Hence, public school teachers should be given the privilege of being exempt from tax on allowances and benefits. In doing so, they will get extra money to spare for their other needs and we would be able to attract and retain exceptional and dedicated teachers in the public schools who will nurture our children to become productive partners in nation-building.

In view thereof, approval of this bill is earnestly sought.


ANGELINA "HELEN" D.L. TAN, M.D.
4th District, Quezon

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AN ACT
EXEMPTING FROM TAX ALL ALLOWANCES AND BENEFITS GRANTED TO PUBLIC SCHOOL TEACHERS, INCLUDING THOSE IN THE STATE COLLEGES AND UNIVERSITIES

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

SECTION. 1. Statement of Policy. - It is hereby declared the policy of the State to assign the highest budgetary priority to education and ensure that teaching will attract and retain its rightful share of the best available talents through adequate remuneration and other means of job satisfaction and fulfillment.

Towards this end, the State shall promote and improve the economic status of all public school teachers, including those in State Colleges and Universities (SUCs) by increasing their take home pay through tax exemption of all their allowances and benefits.

SEC. 2. Exclusion from Gross Income. - All allowances and benefits granted to public school teachers, including those in the SUCs, shall not be included in the computation of gross income and shall be exempt from taxation under Title III, Chapter VI of Republic Act 8424, otherwise known as the "Tax Reform Act of 1997". Moreover, they shall be exempt from attachment, levy, and execution.

SEC. 3. Rules and Regulations - The Commissioner of the Bureau of Internal Revenue is hereby authorized to promulgate such rules and regulations as may be necessary to implement the provisions of this Act.

SEC. 4. Repealing Clause. - All laws, decrees, executive orders, letters of instruction, letters of instruction, letters of implementation, rules and regulations, and other Issuances inconsistent with any provision of this Act are hereby repealed, modified, superseded or amended accordingly.

SEC. 5. Separability Clause. - If any part or provision of this Act shall be held unconstitutional or invalid, other provisions hereof which are not affected thereby shall continue to be in full force and effect.

SEC. 6. Effectivity. - This Act shall take effect fifteen (15) days after its complete publication in any two (2) newspapers of general circulation.

Approved,