

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3370



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

EXPLANATORY NOTE

The Philippines faces a long, grim and painful path to recovery in the wake of super typhoon “Yolanda” whose international name is “Haiyan” in what could be the worst disaster to hit the country. The CNN described the typhoon, which came on the heels of the 7.2 magnitude Bohol earthquake, as ‘worse than hell’. Thousands are feared to have died and some people have reportedly lost their minds due to hunger and desolation amid looting, anarchy and stench of decomposing bodies.

The country is prone to disasters and hazards due to its geography and geology. In its Executive Summary, “The National Disaster Risk Reduction and Management Plan”, provides the following facts which are instructive regarding the occurrence of disasters and hazards in the country:

- Tropical cyclones and its sequential effects of rain and windstorms, as well as floods are the most prevalent types of hydro-meteorological hazards in the country. Between 1997 and 2007, eighty-four (84) tropical cyclones entered the Philippine Area of Responsibility (PAR). These typhoons resulted to a total of 13,155 in human casualty and more than 51 million families have been affected.

- Environmental factors such as denuded forests aggravate flood risks. Even now, the effects of loose soil and reduced forest cover from past forestry activities are felt in frequent landslides and floods. Recent events show that the annual monsoon season in the country has brought severe flooding in most areas.

- In 2011, most of the disasters that claimed the lives of people and affected properties and livelihoods of the most vulnerable were brought about by increased rainfall which caused massive flash flooding in areas which don’t normally experience such.

- ... the Philippines is situated along a highly seismic area lying along the Pacific Ring of Fire and is highly-prone to earthquakes. According to the Philippine Institute on Volcanology and Seismology (PHIVLOCS), the country experiences an average of five (5) earthquakes a day. Earthquake disasters are not as frequent as the typhoons and flooding that take place in the Philippines. Nevertheless, the impact generated on affected communities is usually massive and devastating.

- The Philippines is ... prone to volcanic eruptions being situated along the Pacific Ring of Fire where two major tectonic plates (Philippine Sea and Eurasian) meet. This explains the occurrence of earthquakes and tsunamis and the existence of around 300 volcanoes of which 22 are active.

- In an analysis of natural disaster hotspots by the Hazard Management Unit of the World Bank in 2005, the Philippines is among the countries where large percentages of population reside in disaster prone areas. In the 2011 World Risk Report published by United Nations University and the Institute of Environment and Human Security, looking into the four components of risk (exposure, susceptibility, coping and adapt capacities), the Philippines is the third most disaster risk country worldwide.

In view of the foregoing, this bill seeks to grant victims of disasters a reasonable deduction from their tax liabilities within a specified period as a means to alleviate the adverse economic conditions affecting them and to accelerate the pace of their rehabilitation.

While taxes are the lifeblood of the government and while it depends upon taxation to serve the people for whose benefit taxes are collected, the State, for humanitarian reasons and as *parens patriae*, must safeguard and promote the public welfare through reasonable legislative measures that will help alleviate serious economic dislocations on the part of disaster victims.

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


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AN ACT

PROVIDING PROVISIONAL RELIEF TO CERTAIN VICTIMS OF TYPHOONS, EARTHQUAKES, VOLCANIC ERUPTIONS OR OTHER SIMILAR DISASTERS BY GRANTING SPECIAL DEDUCTIONS FROM INCOME AND REAL PROPERTY TAXES IN THEIR FAVOR

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

SECTION 1. Notwithstanding any provision of law to the contrary, any person, natural or juridical, whose immovable property was lost, totally or partially destroyed by a typhoon, earthquake, volcanic eruption or similar natural calamities shall be allowed to deduct the total amount of the loss or destruction from his or its income and real property tax liabilities up to a period of three (3) years from the time of the loss or destruction; *Provided,* That the immovable property mentioned herein shall refer only to residential lands and buildings, commercial and industrial buildings, agricultural lands together with the plants and growing fruit trees thereon, and permanently installed machinery intended by the owner of the building or structure for an industry or business which may be carried on therein.

SEC. 2. The Commissioner of the Bureau of Internal Revenue shall, within thirty (30) days from the effectivity of this Act, promulgate rules and regulations necessary to implement the provisions hereof.

SEC. 3. This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) national newspapers of general circulation whichever comes earlier.

Approved.