

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

House Bill No. **3447**



Introduced by:

Hon. FERDINAND MARTIN G. ROMUALDEZ, Hon. GLORIA MACAPAGAL ARROYO, Hon. ALETA C. SUAREZ, Hon. DIOSDADO M. ARROYO, Hon. JOSE L. ATIENZA, JR., Hon. JONATHAN A. DE LA CRUZ, Hon. VICTOR FRANCISCO C. ORTEGA, Hon. PHILIP A. PICHAY, Hon. LANI MERCADO-REVILLA and Hon. TOBY M. TIANGCO

AN ACT
PROVIDING FOR TAX INCENTIVES FOR THE RELIEF AND
REHABILITATION OF DEVASTATED COMMUNITIES COVERED BY
A STATE OF CALAMITY

EXPLANATORY NOTE

The Philippines is one of the countries that is often ravaged and devastated by strong typhoons. Around 19 tropical storms enter the Philippine Area of Responsibility in a typical year and, of these, usually 6 to 9 make landfall.

Notwithstanding all the disaster preparation and coordination plans there were still significant losses of life, injuries, and damage to property when Typhoon Yolanda (International Code Name: Haiyan), considered as the world's strongest typhoon ever recorded, hit Philippine Territory. Thousands of people perished from thirty six provinces; and damage to business, property and agriculture were in such magnitude that economic activities were placed on standstill.

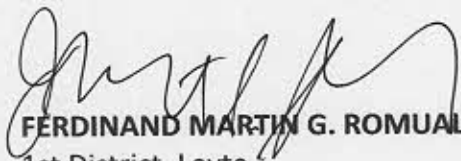
Last November 11, 2013, President Benigno Simeon C. Aquino III issued Presidential Proclamation No. 682 declaring our country in a national state of emergency because of the devastation by typhoon Yolanda.

The National Disaster Risk Reduction and Management Council statistics cannot approximate the horrible experiences that the people in the Visaya's, Southern part of Luzon and Northern part of Mindanao went through.

Since the government cannot do it alone, we must encourage private sector participation to help the victims of the calamity.

The 2013 General Appropriations Act would show that the budget is not going to be enough to cope with the reconstruction and rehabilitation needs. The national government must encourage the participation of the private sector. It becomes imperative therefore, that Congress should introduce measures in line with this policy thrust.

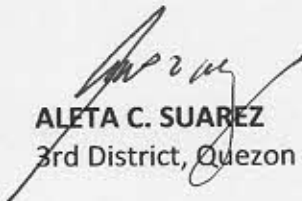
Immediate passage of this bill is urgently sought.



FERDINAND MARTIN G. ROMUALDEZ
1st District, Leyte

GLORIA MACAPAGAL ARROYO
2nd District, Pampanga

VICTOR FRANCISCO C. ORTEGA
1ST District, La Union



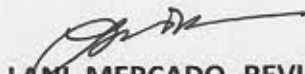
ALETA C. SUAREZ
3rd District, Quezon



JOSE L. ATIENZA, Jr.
BUHAY Partylist



JONATHAN A. DE LA CRUZ
ABAKADA Partylist

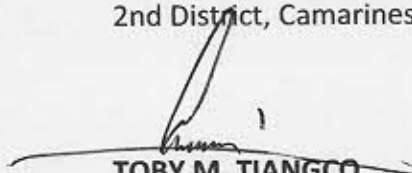


LANI MERCADO- REVILLA
2nd District, Cavite

DIOSDADO M. ARROYO
2nd District, Camarines Sur



PHILIP A. PICHAY
1st District, Surigao del Sur



TOBY M. TIANGCO
Lone District, Navotas City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

House Bill No. 3447

Introduced by

**Hon. FERDINAND MARTIN G. ROMUALDEZ, Hon. GLORIA MACAPAGAL
ARROYO, Hon. ALETA C. SUAREZ, Hon. DIOSDADO M. ARROYO, Hon. JOSE L.
ATIENZA, JR., Hon. JONATHAN A. DE LA CRUZ, Hon. VICTOR FRANCISCO C.
ORTEGA, Hon. PHILIP A. PICHAY, Hon. LANI MERCADO-REVILLA and Hon.
TOBY M. TIANGCO**

1 **AN ACT**
2 **PROVIDING FOR TAX INCENTIVES FOR THE RELIEF AND**
3 **REHABILITATION OF DEVASTATED COMMUNITIES COVERED**
4 **BY A STATE OF CALAMITY**

5 *Be it enacted by the Senate and House of Representatives of the Congress assembled:*

6 **Section 1. Declaration of Policy.** – It is the policy of the State to encourage the
7 participation of every member of the society towards the rehabilitation of devastated
8 communities during natural disasters through voluntary sharing of resources.

9 **Section. 2. Tax Holiday For Donors** - Notwithstanding any provision of law to the
10 contrary, there will be no imposition of the Donor's Tax for all monetary contributions and
11 the equivalent monetary value of items donated, granted or bestowed for humanitarian and
12 relief purposes during natural disasters; provided, that such donations, grants, endowments or
13 contributions were used actually, directly and exclusively for the primary purpose of relief
14 operations during such disasters;

15 **Section 3. Tax Incentives occasioned by Calamitous Events-**

1 a.) **For purely compensation income earners** - Notwithstanding Section 34
2 (first paragraph) of the National Internal Revenue Code (as amended), donations made by
3 purely compensation income earners to the government or to charitable institutions,
4 occasioned by calamitous events, shall be treated as allowable deductions.

5 b.) **For Juridical Entities** - Donations made by juridical entities to the
6 government or charitable institutions, occasioned by calamitous events, shall be deductible in
7 full.

8 **Section 4. – Preferential rates for Trailblazers-** Sole proprietorships, partnerships, or
9 corporations which immediately resumes or initiates new businesses within the stricken areas
10 shall be given preferential rates with regard to business fees and taxes to help in the
11 rehabilitation program of the government.

12 **Section 5. Implementing Rules and Regulations.** – The Secretary of Finance, upon the
13 recommendation of the Commissioner of Internal Revenue, shall promulgate the necessary
14 Rules and Regulations to implement the provisions of this Act within thirty (30) days from its
15 effectivity.

16 **Section 6. Separability Clause.** If any provision of this Act is declared
17 unconstitutional or invalid, the provisions not affected thereby shall continues to be in full
18 force and effect.

19 **Section 7. Repealing Clause.** All laws, republic acts, presidential decrees, orders,
20 rules and regulations or other issuance of government agencies inconsistent with the
21 provisions of this Act are hereby repealed, amended or modified accordingly.

22 **Section 8. Effectivity Clause.** This Act shall take effect fifteen days after its
23 publication in the Official Gazette.

24 *Approved.*