

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

H. No. 3588



Introduced by Representative Estrellita "Ging" B. Suansing

EXPLANATORY NOTE

The spirit of the holiday season is within us already; but I am afraid many of our fellow Filipinos cannot enjoy the season in the same way we do. They are those who were tragically affected by calamitous events such as typhoon *Santi* which ravaged Central Luzon in October, causing damage in the amount of more than P3 billion¹ on two provinces alone, including Nueva Ecija; essentially obliterating a good part of the so-called 'rice granary' of the Philippines;

Amidst typhoon *Santi*'s wake, a 7.2-magnitude earthquake hit Bohol also in the month of October, causing damage in the amount of P2.2 billion². More recently Super Typhoon Yolanda (Haiyan) devastated practically the whole of the Visayan islands in November, with estimated damage in the vicinity of P30 billion³;

It cannot be denied that although national and international relief efforts would significantly alleviate the plight of the victims of said calamities, there are still a lot of things to cover for things to return to the old ways and splendor;

Thus, this bill amending Republic Act 8424, "**National Internal Revenue Code**" (NIRC) of the Philippines, by granting full deduction from gross income the amount of contributions made to disaster relief recovery and rehabilitation efforts and activities and for other purposes, is filed for approval;

The bill speaks about donations to the government of the Philippines, or to any of its agencies or political subdivisions, including fully-owned government corporations, educational and/or charitable religious, cultural or social welfare

¹ Source: www.rappler.com; viewed on December 10, 2013

² Source: Wikipedia.org; viewed on December 10, 2013

³ Source: www.sunstar.com.ph; viewed on December 10, 2013

corporation, institution, accredited nongovernment organization, foundations, and trust or philanthropic organization, exclusively to finance, to provide for, or to be used in undertaking disaster relief, recovery, and rehabilitation efforts and other activities necessary or in connection with post-recovery efforts for areas affected by disasters;

The bill also defines the word 'disaster' as a serious disruption of the functioning of a community or a society involving widespread human, material, economic or environmental losses making it difficult or impossible for the community or society to cope using its own resources;

If enacted into law, this bill would greatly help in the rehabilitation of the affected provinces and will restore the lives of our fellow Filipinos in the process contributing to the immediate recovery of our country.

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


Rep. ESTRELLITA "GING" B. SUANSING
1st District, Nueva Ecija

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**SIXTEENTH CONGRESS
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H. Bill No. 3588

Introduced by Representative Estrellita "Ging" B. Suansing

**AN ACT
AMENDING REPUBLIC ACT 8424, OR NATIONAL INTERNAL REVENUE CODE
(NIRC) OF THE PHILIPPINES, AS AMENDED BY GRANTING FULL DEDUCTION
FROM GROSS INCOME THE AMOUNT OF CONTRIBUTIONS MADE TO
DISASTER RELIEF RECOVERY AND REHABILITATION EFFORTS AND
ACTIVITIES AND FOR OTHER PURPOSES**

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

SECTION 1. A new Section 34 (H)(2)(d) is hereby inserted after Section 34 (H)(2)© of Republic Act No. 8424, or the National Internal Revenue Code of the Philippines, to read as follows:

SEC. 34. Deductions from Gross Income. – Except for taxpayers earning compensation income arising from personal services rendered under an employer-employee relationship where no deductions shall be allowed under this Section other than under subsection (M) hereof; in computing taxable income subject to income tax under Sections 24 (A); 25 (A); 26; 27 (A), (B) and (C); and 28 (A)(1), there shall be allowed the following deductions from gross income; XXX

(H) Charitable and Other Contributions – XXX

(2) Contributions Deductible in Full. – Notwithstanding the provisions of the preceding subparagraph, donations to the following institutions or entities shall be deductible in full; XXX

(d) DONATIONS FOR DISASTER RELIEF, RECOVERY, AND REHABILITATION EFFORTS AND OTHER ACTIVITIES. – DONATIONS TO THE GOVERNMENT OF THE PHILIPPINES OR TO ANY OF ITS AGENCIES OR POLITICAL SUBDIVISIONS, INCLUDING FULLY-OWNED GOVERNMENT CORPORATIONS, EDUCATIONAL AND/OR CHARITABLE RELIGIOUS, CULTURAL OR SOCIAL WELFARE CORPORATION, INSTITUTION, ACCREDITED NONGOVERNMENT

ORGANIZATION, FOUNDATIONS, AND TRUST OR PHILANTHROPIC ORGANIZATION, EXCLUSIVELY TO FINANCE, TO PROVIDE FOR, OR TO BE USED IN UNDERTAKING DISASTER RELIEF, RECOVERY, AND REHABILITATION EFFORTS AND OTHER ACTIVITIES NECESSARY FOR, AND IN CONNECTION WITH, THE POST-RECOVERY EFFORTS FOR AREAS AFFECTED BY DISASTER.

"DISASTER" MEANS A SERIOUS DISRUPTION OF THE FUNCTIONING OF A COMMUNITY OR A SOCIETY INVOLVING WIDESPREAD HUMAN, MATERIAL, ECONOMIC OR ENVIRONMENTAL LOSSES AND IMPACTS, WHICH EXCEEDS THE ABILITY OF THE AFFECTED COMMUNITY OR SOCIETY TO COPE USING ITS OWN RESOURCES. DISASTERS ARE OFTEN DESCRIBED AS A RESULT OF THE COMBINATION OF THE FOLLOWING: EXPOSURE TO HAZARDS; CONDITIONS OF VULNERABILITY THAT ARE PRESENT; AND INSUFFICIENT CAPACITY OR MEASURES TO REDUCE OR COPE WITH THE POTENTIAL NEGATIVE CONSEQUENCES. DISASTER IMPACTS MAY INCLUDE LOSS OF LIFE, INJURY, DISEASE, AND OTHER NEGATIVE EFFECTS ON HUMAN, PHYSICAL, MENTAL AND SOCIAL WELL-BEING, TOGETHER WITH DAMAGE TO PROPERTY, DESTRUCTION OF ASSETS, LOSS OF SERVICES, SOCIAL AND ECONOMIC DISRUPTION AND ENVIRONMENTAL DEGRADATION.

SECTION 2. *Implementation.* The Bureau of Internal Revenue, in consultation with all relevant government agencies shall issue implementing rules and regulations within ninety (90) days from effectivity hereof, and such other rules and regulations as may be necessary to carry out the purpose of this Act.

SECTION 3. *Separability Clause.* - If any portion or provision of this Act is declared void and unconstitutional, the remaining portions or provisions hereof shall not be affected by such declaration.

SECTION 4. *Repealing Clause.* - All laws, decrees, order, rules and regulations, other issuances, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 5. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its complete publication in at least two (2) national newspapers of general circulation.

Approved,