

Republic of the Philippines
HOUSE OF REPRESENTATIVES

Quezon City, Metro Manila

SIXTEENTH CONGRESS

First Regular Session



HOUSE BILL NO. 4372

Introduced by Representative Rodrigo A. Abellanosa

EXPLANATORY NOTE

For many years, our nation has been experiencing the migration of skilled labor looking for better-paying employment abroad. As movements to increase salary levels have shown to be minimally productive because of the opposition primarily of the private sector, it is necessary that the government seek other ways of making our countrymen's lives easier, thus making local employment more attractive. In this connection, this bill seeks to amend Section 24 of the National Internal Revenue Code of 1997, as amended, thereby reducing individual income tax rates.

Lower taxes, at unchanged salary levels, translate to higher 'take-home' pays for income-earners, easing some of the burden from our people and diminishing the need to look for employment outside the country.

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

[Signature]

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AN ACT
AMENDING SECTION 24 OF THE NATIONAL INTERNAL REVENUE CODE
OF 1997, AS AMENDED, AND FOR OTHER PURPOSES

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

SECTION 1. Section 24(A)(2) of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:

"Sec. 24, Income Tax Rates -

(A) Rates of Income Tax on Individual Citizen and Individual Resident Alien of the Philippines -

(2) Rates of Tax on Taxable Income of Individuals - The tax shall be computed in accordance with and at the rates established in the following schedule:

Taxable Income	Beginning January 1, 2015	Beginning January 1, 2016	Beginning January 1, 2017
P20,000 but not over P70,000	15%	13%	10%
Over P70,000 but not over P200,000	P10,500 + 20% of the excess over P70,000	P9,100 + 18% of the excess over P70,000	P7,000 + 15% of the excess over P70,000
Over P200,000 but not over P500,000	P36,500 + 25% of the excess over P200,000	P32,500 + 23% of the excess over P200,000	P26,500 + 20% of the excess over P200,000
Over P500,000 but not over P1,000,000	P111,500 + 30% of the excess over P500,000	P101,500 + 25% of the excess over P500,000	P86,500 + 22% of the excess over P500,000
Over P1,000,000	P261,500 + 32% of the excess over P1,000,000	P226,500 + 28% of the excess over P1,000,000	P196,500 + 25% of the excess over P1,000,000

[Not over P10,000..... 5%

Over P10,000 but not over P30,000..... P500+10% of the excess over P10,000

Over P30,000 but not over P70,000.....P2,500+15% of the excess over P30,000

Over P70,000 but not over P140,000.....P8,500+20% of the excess over P70,000
Over P140,000 but not over P250,000....P22,500+25% of the excess over P140,000
Over P250,000 but not over P500,000...P50,000+30% of the excess over P250,000
Over P500,000 P125,000+34% of the excess over P500,000]

"xxx

"xxx.

SEC. 2. Implementing Rules and Regulations. - The Secretary of Finance shall promulgate the necessary rules and regulations for the effective implementation of the provisions of this Act.

SEC. 3. Repealing Clause. - All laws, orders, issuances, circulars, rules and regulations or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 4. Separability Clause. - If any provision of this Act is declared unconstitutional or invalid, other parts or provisions hereof not affected thereby shall continue to be in full force and effect.

SEC. 5. Effectivity. - This Act shall take effect on January 1, 2015, following its publication in at least two (2) newspapers of general circulation.

Approved,