

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

SIXTEENTH CONGRESS

Second Regular Session

House Bill No. **4705**



Introduced by **Rep. EVELIO R. LEONARDIA**

EXPLANATORY NOTE

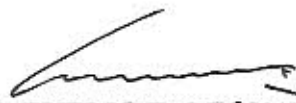
Taxation is the inherent power of the sovereign, exercised through the legislature, to impose burdens upon subjects and objects within its jurisdiction for the purpose of raising revenues to carry out the legitimate objects of government.

It has also been held that taxes are the lifeblood of the government and should be collected without necessary hindrance. They are what we pay for a civilized society. Without taxes, the government would be paralyzed for lack of motive power to activate and operate it. The government, for its part, is expected to respond in the form of tangible and intangible benefits intended to improve the lives of the people and enhance their moral and material values.

However, according to the National Statistical Coordination Board (NSCB), the poverty incidence in the Philippines is at 28.8 percent in 2006, 28.6 percent in 2009 and 27.9 percent in the first semester of 2012. Looking closely at this data, the poverty incidence from 2006 to 2012 has barely improved.

The government may enact a law reducing the burden of its subjects or objects in order to alleviate their economic condition.

As such, the approval of this Bill is earnestly sought.


REP. EVELIO R. LEONARDIA
Lone District, Bacolod City

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AN ACT
FURTHER AMENDING SECTION 35 PARAGRAPH (A) OF THE REPUBLIC ACT
8424, AS AMENDED BY REPUBLIC ACT 9504, OTHERWISE KNOWN AS THE
NATIONAL INTERNAL REVENUE CODE

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

SECTION 1. Section 35 paragraph (a) of the Republic Act 8424, as amended by
Republic Act 9504, is further amended to read as follows:

“Sec. 35. Allowance of Personal Exemption for Individual Taxpayer. –

(A) In General. – For purposes of determining the tax provided in
Section 24(A) of this Title, there shall be allowed a basic
personal exemption amounting to **One Hundred Thousand
Pesos (P100,000)** for each individual taxpayer.

In the case of married individuals where only one of the spouses is
deriving gross income, only such spouse shall be allowed the
personal exemption.

SEC. 2. All existing laws or parts thereof inconsistent with the provision of this Act
are hereby repealed or modified accordingly.

SEC. 3 This Act shall take effect fifteen (15) days after its publication in the *Official
Gazette* or in two (2) newspapers of general circulation.

Approved,