

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

SIXTEENTH CONGRESS

Second Regular Session

House Bill No. **4706**



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

EXPLANATORY NOTE

The increase in population also contributes to the ever increasing number of middle class family and the current proliferation of housing projects to cater to the housing needs of the population belonging to the working class. Under the present assessment made by the National Economic Development Authority (NEDA) and the Housing and Urban Development Corporation Council (HUDCC) reflected in HUDCC Resolution No. 1 (Series of 2008) the price ceiling of socialized housing is valued at P450,000.00 given the 31.1% growth in housing and repairs of the Consumer Price Index.

But while the housing needs of the working class which is also undeniably the strong source of taxpayers, and while their income may be gradually depleted by inflation and the unsteady fluctuations of commodity prices, their socialized housing needs government concerns especially in considering the factor of family life affecting the family home, thus, the need to provide the allowable deduction on such working class' amortization on their house acquisition consistent to their status and income position.

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


REP. EVELIO R. LEONARDIA
Lone District, Bacolod City

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AN ACT AMENDING SECTION 36 (A) (1) OF REPUBLIC ACT NO. 8424, AS
AMENDED OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE
CODE OF 1997

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

SECTION 1. Section 36 (A) (1) of Republic Act No. 8424, as amended,
otherwise known as the National Internal Revenue Code of 1997, is hereby amended to
read as follows:

SEC. 36. Items not Deductible. –

(A) General Rule – In computing net income, no deduction shall in any case be
allowed in respect to –

- (1) Personal, living or family expenses; EXCEPT the periodic amortizations made by a head of a family to a low cost socialized housing loan for a family home in the aggregate amount of not more than four hundred fifty thousand pesos (P450,000.00) Provided, further that the allowable deduction provided in this subsection shall be availed of by the head of the family only once and whose annual income from the inception of his housing loan does not exceed three hundred thousand pesos (P300,000.00);

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SECTION 2. Separability Clause. – If any provision of this Act is declared
invalid or unconstitutional, other provisions hereof which are not affected thereby shall
continue to be in full force and effect.

SECTION 3. Repealing Clause. – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with any provision of this Act as hereby amended or modified accordingly.

SECTION 4. This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,