

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS

Second Regular Session

House Bill No: 5215



Introduced by: Representative Mark Llandro L. Mendoza

EXPLANATORY NOTE

The 1987 Constitution through Article XIV Section 5 provides that *"The State shall assign the highest budgetary priority to education and ensure that teaching will attract and retain its rightful share of the best available talents through adequate remuneration and other of job satisfaction and fulfillment."* As well, Republic Act No. 4670 otherwise known as "The Magna Carta for Public School Teachers" guarantees *"to promote and improve the social and economic status of public school teachers, their living and working conditions, their terms of employment and career prospects so that they may compare favorably with other existing opportunities"*.

The State recognizes the important role of teachers in strengthening the country's education sector and in building stronger nation for hundred million Filipinos. They take on an immense responsibility of molding today's youth to become responsible and productive citizens of our country. Filipino teachers are indeed modern heroes for their steadfast commitment and selfless service in shaping the minds of our children and the future of our country. However, despite their immeasurable efforts and contributions to the economy, our teachers continue to struggle with their meager salaries and benefits.

It is high time that genuine recognition and privileges shall be given to the living heroes of our time. This piece of legislation therefore seeks to grant our public school teachers including those in State Universities and Colleges (SUCs) exemption from withholding tax on their compensation income. It aims to address the plight of our lowly paid teachers by providing them higher take home pay to augment their resources to send their children to school and provide for basic and medical emergency needs among others.

In view of the foregoing premises, the passage of this bill is hereby earnestly sought.

MARK LLANDRO L. MENDOZA
4th District, Province of Batangas

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**AN ACT GRANTING INCOME TAX EXEMPTION TO PUBLIC SCHOOL
TEACHERS, AMENDING FURTHER SECTION 24 PARAGRAPH A (2) OF THE
NATIONAL INTERNAL REVENUE CODE OF 1997 AS AMENDED BY
REPUBLIC ACT NO. 9504 AND FOR OTHER PURPOSES**

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

SECTION 1. Declaration of Policy. – Article XIV Section 5 of the 1987 Constitution provides that “The State shall assign the highest budgetary priority to education and ensure that teaching will attract and retain its rightful share of the best available talents through adequate remuneration and other of job satisfaction and fulfillment.”

Furthermore, Republic Act no. 4670 otherwise known as “The Magna Carta for Public School Teachers” provides that the State shall promote and improve the social and economic status of public school teachers including those in State Universities and Colleges (SUCs).

SECTION 2. Exemption from Withholding Tax – Section 24, Paragraph A (2) of the National Internal Revenue Code of 1997, as amended by Republic Act No. 9504 is hereby further amended to be read as follows:

“(2) Rates of Tax on Taxable Income of Individuals. – x x x

x x x

*Provided, That the minimum wage earners as defined in Section 22
(HH) of this Code x x x*

Teachers in public elementary and high schools, including
instructors and professors in State Universities and Colleges
(SUCs), shall likewise be exempt from the payment of income tax
on their taxable income: *Provided, further, That the holiday pay,
overtime pay, night shift differential pay and hazard pay received by
such teachers, instructors and professors shall likewise be exempt
from income tax.*

SECTION 3. Implementing Rules and Regulations. – The Bureau of Internal Revenue shall promulgate the rules and regulations to implement the provisions of this Act.

SECTION 4. *Repealing Clause.* All provisions of laws, orders, decrees, including rules and regulations inconsistent herewith are hereby repealed and modified accordingly.

SECTION 5. *Separability Clause.* If any part of the provision of this Act shall be held unconstitutional or invalid, other provision hereof which are not affected shall continue to be in full force and effect.

SECTION 6. *Effectivity Clause.* – This Act shall take fifteen (15) days following its publication in the Official Gazette or in at least two (2) newspaper of general circulation.

Approved,