

Republic of the Philippines
House of Representatives
Quezon City

SIXTEENTH CONGRESS
Second Regular Session
5559

HOUSE BILL NO. _____



Introduced by Representative EDGAR R. ERICE

EXPLANATORY NOTE

In 15 May 2013, Republic Act No. 10533, otherwise known as the "*Enhanced Basic Education Act of 2013*," was enacted to provide an enhanced basic education program that encompasses at least one (1) year of kindergarten education, six (6) years of elementary education, and six (6) years of secondary education. Secondary education will, starting from 2016, include four (4) years of junior high school and two (2) years of senior high school education. RA 10533, in effect, added two more years of learning so that Filipinos will be afforded more time to develop skills that would enable them to be competitive not only within the Philippines, but more importantly, in the international arena.

This additional two years of learning, inevitably carries with it additional cost to the parents who, under the Family Code of the Philippines, are bound to give support to their children, which includes schooling or training for some profession, trade or vocation, even beyond the age of majority. Thus, the undersigned deems it only reasonable for these parents to be granted reprieve by way of amending Section 35(B) of the National Internal Revenue Code (NIRC) of the Philippines to adjust the age requirement of dependents for individual taxpayers' availment of additional exemptions. Presently, Section 35(B) of NIRC limits the availment of additional exemptions for dependents to only those who, aside from being chiefly dependent upon and living with the taxpayer, unmarried and not gainfully employed, must also be not more than twenty-one (21) years of age. It bears emphasis, however, that by virtue of RA 10553, dependents will only be able to finish college and be gainfully employed, generally speaking, when they reached twenty-three (23) years of age. It is only right, therefore, for the age requirement of dependents to be adjusted from twenty-one (21) to twenty-three (23) years of age. The additional exemption in the amount of Twenty-Five Thousand Pesos annually that would be saved by parents will be of great help to finance the education and ensure a good future for their dependents.

In view thereof, the passage of this bill is earnestly sought.


EDGAR R. ERICE
Representative
2nd District Caloocan City

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HOUSE BILL NO. _____

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AN ACT

AMENDING SECTION 35(B), CHAPTER 7 OF REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS "THE NATIONAL INTERNAL REVENUE CODE OF THE PHILIPPINES."

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

SECTION 1. Section 35(B), Chapter 7 of Republic Act No. 8424, otherwise known as the National Internal Revenue Code of the Philippines, is hereby amended to be read as follows:

Section 35. *Allowance of Personal Exemption for Individual Taxpayer. -*

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(B) *Additional Exemption for Dependents.* - There shall be allowed an additional exemption of Twenty-five thousand pesos (25,000) for each dependent not exceeding four (4).

"The additional exemption for dependents shall be claimed by only one of the spouses in the case of married individuals.

"In the case of legally separated spouses, additional exemptions may be claimed only by the spouse who has custody of the child or children:

Provided, That the total amount of additional exemptions that may be claimed by both shall not exceed the maximum additional exemptions herein allowed.

"For purposes of this Subsection, a "dependent" means a legitimate, illegitimate or legally adopted child chiefly dependent upon and living with the taxpayer if such dependent is not more than **TWENTY-THREE (23)** years of age, unmarried and not gainfully employed or if

such dependent, regardless of age, is incapable of self-support because of mental or physical defect.

xxx

SECTION 2. *Separability Clause.* – If any provision of this Act shall be declared unconstitutional, any other provision not affected thereby shall remain 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 the provision of this Act is hereby repealed, modified or amended accordingly.

SECTION 4. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,