

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 4492



INTRODUCED BY: REPRESENTATIVE CRISTAL L. BAGATSING

EXPLANATORY NOTE

Article XIII, Section 9, of the 1987 Constitution provides that:

"The State shall, by law, and for the common good, undertake, in cooperation with the private sector, a continuing program of urban land reform and housing which will make available at affordable cost decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlement areas.

X X X "

One of the hindrances to this constitutional provision to make available at affordable cost decent housing to underprivileged is the high cost of housing materials or lease of construction equipment intended for low cost or socialized housing. Although RA 7279 have already exempt the sale of real properties utilized for low-cost and /or socialized housing from VAT the same however reveals that the backlog for housing keeps on adding and presently estimated at four million families nationwide.

By making the sales of construction materials and lease of construction equipment exempt from VAT transactions will enable the end user or the beneficiary for low cost and/or socialized housing afford the cost for decent housing. Thus, realizing the very spirit of the social justice provision of the 1987 Constitution.

Hence, the passage of this bill is earnestly requested.

A handwritten signature in black ink, appearing to be "Cristal L. Bagatsing".

Cristal L. Bagatsing
Representative, 5th district Manila

(AA) SALE OF CONSTRUCTION MATERIALS OR LEASE OF CONSTRUCTION EQUIPMENT USED FOR LOW-COST AND SOCIALIZED HOUSING AS DEFINED UNDER REPUBLIC ACT NO. 7279. OTHERWISE KNOWN AS THE URBAN DEVELOPMENT AND HOUSING ACT OF 1992 AND OTHER RELATED LAWS;

The foregoing exemptions to the contrary notwithstanding, any person whose sale of goods or properties or services which are otherwise not subject to VAT, but who issues a VAT invoice or receipt therefor shall, in addition to his liability to other applicable percentage tax, if any, be liable to the tax imposed in Section 106 or 108 without the benefit of input tax credit, and such tax shall also be recognized as input tax credit to the purchaser under Section 110, all of this Code."

SECTION 2. *Repealing Clause.* All laws, decrees, executive orders, proclamations, rules and regulations and other issuances or parts thereof, inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 3. *Effectivity.* This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,