

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 5393



Introduced by **MAGDALO Party-List Representative**
HON. GARY C. ALEJANO

EXPLANATORY NOTE

In the Philippines, existing laws created several governmental agencies which have been carrying out various responsibilities in the care of aging persons and persons with disabilities. This only proves the country's desire in putting forward the rights of citizens suffering from disabilities.

Apart from being concerned alone with the plight of aging persons and persons with disabilities, parents who look after their aging dependents, and who raise their dependents with disabilities should also be given enough consideration. Guardians must be entitled to claim for the additional exemption for the reason that it is they who undeniably support and nurture these dependents. It could not be concealed that families with aging dependents and dependents suffering from disability need added resource specifically for their medication and therapy.

Thus, this measure seeks to provide additional economic reprieve to families, particularly taxpayers who bear the responsibility of looking after their children, parents, and even persons with disabilities by reducing tax burden. Moreover, this measure seeks to amend Section 35, paragraph B of the National Internal Revenue Code of 1997, as amended by Republic Act 9504, to take away four-dependent cap that a taxpayer may claim for deductions.

It is hoped that the passage of this measure will finally alleviate the plight of our taxpayers by allowing them to cope with the cost of nobly caring for their dependents requiring special care,

In view of the foregoing, immediate enactment of this measure is earnestly sought.


GARY C. ALEJANO

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AN ACT
PROVIDING ADDITIONAL RELIEF TO FAMILIES WITH DEPENDENTS, SUPPORTING
AGING PARENTS AND DISABLED PERSONS

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

1 **SECTION 1. Short Title.** – This Act shall be known as the “*Additional Relief to Families*
2 *Act of 2017*”.

3
4 **SEC.2. Declaration of Policy and Objectives.** – The State recognizes the Filipino family as
5 the foundation of the nation. Accordingly, it shall strengthen its solidarity and actively promote its
6 total development.

7 Further, the Constitution declares that the family has the duty to take care of its elderly
8 members but the State may also do so through just programs of social security.

9 Towards this end, Congress shall give highest priority to the enactment of measures that will
10 grant reprieves, and reduce social and economic inequalities by alleviating the financial conditions of
11 every family especially those with more children; individuals and families caring for aging parents,
12 and those who act as legal guardians to persons with mental or physical handicap or disabilities.

13
14 **SEC. 3. Additional Reliefs.** – In addition to the benefits granted under existing laws, Section
15 35(B) of Republic Act No. 8424, otherwise known as the National Internal Revenue Code of 1997, as
16 amended by Republic Act No. 9504, is hereby further amended, to read as follows:

17
18 **“SEC. 35. Allowance of Personal Exemption for Individual Taxpayer.**

19 (A) In General. – For purposes of determining the tax provided in Section
20 24(A) of this title, there shall be allowed a basic personal exemption
21 amounting to Fifty thousand pesos (P50,000.00) for each individual
22 taxpayer.

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

(B) *Additional Exemption for Dependents.* – There shall be allowed an additional exemption of Twenty-five thousand pesos (P25,000.00) for each for each dependent [not exceeding four (4)].

For purposes of this Subsection, **THE TERM [a] “dependent/S:” SHALL** mean[s a]:

1) **ONE OR MORE UNMARRIED** legitimate, **LEGITIMATED**, illegitimate or legally adopted child **NOT MORE THAN TWENTY-ONE (21) YEARS OF AGE**, [chiefly dependent upon and] living with the taxpayer, [if such dependent is not more than twenty-one (21) years of age, unmarried and] not gainfully employed, [or if such dependent] **AND DEPENDENT UPON THE LATTER FOR CHIEF SUPPORT, OR WHERE SUCH CHILD**, regardless of age, is incapable of self-support because of mental or physical [defect] **HANDICAP.**

The additional exemption for dependents **REFERRED HEREIN** shall be claimed by only one of the spouses in the case of unmarried 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].

2) **A PARENT OR BOTH PARENTS, NOT GAINFULLY EMPLOYED, LIVING WITH THE TAXPAYER, AND DEPENDENT UPON THE LATTER FOR CHIEF SUPPORT, OR WHERE SUCH PARENTS, REGARDLESS OF INCOME, ARE INCAPABLE OF SELF-SUPPORT BECAUSE OF MENTAL OR PHYSICAL HANDICAP.**

AN INDIVIDUAL TAXPAYER WHO ACTS AS LEGAL GUARDIAN TO A PERSON WITH MENTAL OR PHYSICAL HANDICAP, REGARDLESS OF AGE AND INCAPABLE OF SELF-SUPPORT, MAY CLAIM THE ADDITIONAL EXEMPTION FOR THE SAID DEPENDENT: PROVIDED, THAT ONLY THE LEGAL GUARDIAN CAN AVAIL OF THE ADDITIONAL EXEMPTION FOR A PARTICULAR TAXABLE YEAR TO THE EXCLUSION OF THE BIOLOGICAL PARENTS.

xxx”

SEC. 4. *Penalty.* – Notwithstanding the penalty provided for in Section 267 of the National Internal Revenue Code of 1997, as amended, a person who willfully violates the preceding section by declaring fictitious dependents shall, upon conviction, be liable for the

1 payment of a fine equivalent to thrice the amount of tax, interest and surcharges due from the
2 taxpayer.

3
4 **SEC. 5. *Implementing Rules and Regulations.*** – The Department of Finance in
5 coordination with the Bureau of Internal Revenue, and the Department of Social Welfare and
6 Development shall issue the necessary implementing rules and regulations within thirty (30) days
7 upon the approval of this Act.

8
9 **SEC. 6. *Separability Clause.*** – If any provision of this Act is declared unconstitutional or
10 invalid, other parts or provisions hereof not affected thereby shall continue to be in full force and
11 effect.

12
13 **SEC. 7. *Repealing Clause.*** – All laws, decrees, rules and regulations inconsistent with
14 the provisions of this Act are hereby repealed, amended or modified accordingly.

15
16 **SEC. 8. *Effectivity.*** – This Act shall take effect fifteen (15) days following its publication
17 in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,