

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Seventeenth Congress
Third Regular Session



7982

HOUSE BILL NO. _____

Introduced by Representative JOEY SARTE SALCEDA

**AN ACT REFORMING THE CORPORATE INCOME TAX
AND INCENTIVES AMENDING FOR THE PURPOSE
SECTIONS 5, 6, 20, 22, 25, 27, 28, 34, 40, 50, 73, 112, 119, 204,
220, 222, 237, 237-A, 250, 255, 256, 257, 258, 260, 261, 262, 263,
264, 265, 266, AND 275 OF THE NATIONAL INTERNAL
REVENUE CODE OF 1997, AS AMENDED, CREATING
THEREIN NEW TITLES XII AND XIII,
AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

The passage of *Republic Act No. 10963*, or the *Tax Reform for Acceleration and Inclusion Act*, made our personal income taxation simple, fair, and efficient. To complete the administration's fiscal reform package, the corporate income tax and incentives must likewise be made fair and efficient.

At present, our corporate income tax system is characterized by a narrow base and a high rate of 30%, which is the highest in the ASEAN region. Our investment tax incentive system, on the other hand, is characterized by complexities and overly liberal mindset with little regard to cost-efficiency and effectiveness. While the importance of tax incentives is not denied, as it attracts investments, addresses market failures, and pivots the state towards reaching its full potential, it needs to be rationalized and disciplined to ensure that

foregone revenues arising from its grant do not cost the government more than the benefits these investments bring.

Hence, this bill seeks to lower the corporate tax rate, as well as widen the corporate tax base and plug its tax leakages, through rationalizing the administration of tax incentives, which shall be performance-based, targeted, time-bound, and transparent.

With the tax incentives rationalized and the tax base expanded, the corporate income tax rate that will now be reduced in order to alleviate the burden of the majority of the business community – notably the micro, small, and medium-size enterprises, who pay the regular 30% income tax rate.

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



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264, 265, 266, AND 275 OF THE NATIONAL INTERNAL
REVENUE CODE OF 1997, AS AMENDED, CREATING
THEREIN NEW TITLES XII AND XIII,
AND FOR OTHER PURPOSES**

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

SECTION 1. *Title.* – This Act shall be known as the “Corporate
Income Tax and Incentives Reform Act (CITIRA).”

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of
the State to develop the national economy towards global
competitiveness by implementing tax policies instrumental in
attracting investments, which will result in productivity
enhancement, employment generation, countrywide development,
and a more inclusive economic growth, while at the same time
maintaining fiscal prudence and stability.

1 lowering the rate, widening the tax base, and reducing tax
2 distortions and leakages; and

3
4 (b) Develop a more market-responsive and globally-
5 competitive tax and investment incentives regime that is
6 performance-based, targeted, time-bound, and transparent.

7
8 **SEC. 3.** Section 5 of the National Internal Revenue Code of 1997,
9 as amended (NIRC) is hereby amended to insert thereafter a new
10 section 5-A to read as follows:

11
12 **SEC. 5-A. – POWER OF THE COMMISSIONER TO**
13 **ISSUE SUBPOENA DUCES TECUM; HOW**
14 **SERVICE OF SUBPOENA DUCES TECUM IS**
15 **MADE. – PURSUANT TO SECTION 5 OF THIS**
16 **CODE, IN CASE THE INFORMATION OR**
17 **RECORDS REQUESTED ARE NOT FURNISHED**
18 **WITHIN THE PERIOD PRESCRIBED IN THE**
19 **WRITTEN NOTICE, OR WHEN THE**
20 **INFORMATION OR RECORDS SUBMITTED ARE**
21 **INCOMPLETE, THE COMMISSIONER IS**
22 **AUTHORIZED TO ISSUE A SUBPOENA DUCES**
23 **TECUM WHICH MUST SPECIFY WITH**
24 **REASONABLE DESCRIPTION THE BOOKS,**
25 **DOCUMENTS, OR THINGS REQUESTED,**
26 **STATING THEREIN THEIR RELEVANCE OR**
27 **MATERIALITY TO THE INQUIRY AND**
28 **IDENTIFYING THE TAXPAYER OR THIRD**
29 **PARTY/OFFICE IN POSSESSION, CUSTODY OR**
30 **CONTROL OF THE SAME.**

31
32 **THE SUBPOENA DUCES TECUM SHALL BE**
33 **SERVED BY THE REVENUE OFFICER**
34 **ASSIGNED TO INVESTIGATE THE CASE OR BY**
35 **ANY OTHER INTERNAL REVENUE OFFICER**
36 **AUTHORIZED FOR THE PURPOSE.**

1 **WITHIN A REASONABLE TIME THROUGH**
2 **PERSONAL SERVICE, THE *SUBPOENA DUCES***
3 ***TECUM* MAY BE SERVED BY SUBSTITUTED**
4 **SERVICE IN ACCORDANCE WITH THE RULES**
5 **OF COURT.**

6
7
8 **SEC. 4.** Section 6 of the NIRC is hereby further amended to insert
9 thereafter a new section 6-A to read as follows:

10
11
12 **SEC. 6-A. *SERVICE OF LETTER OF AUTHORITY,***
13 ***ASSESSMENT NOTICES, AND OTHER REQUIRED***
14 ***NOTICES ISSUED BY THE BUREAU.* – THE**
15 **LETTER OF AUTHORITY, ASSESSMENT**
16 **NOTICES, AND OTHER REQUIRED NOTICES**
17 **TO THE TAXPAYER MAY BE SERVED BY THE**
18 **COMMISSIONER OR HIS DULY AUTHORIZED**
19 **REPRESENTATIVE BY DELIVERING**
20 **PERSONALLY A COPY THEREOF TO THE**
21 **TAXPAYER'S REGISTERED ADDRESS OR**
22 **KNOWN ADDRESS, OR WHEREVER A**
23 **TAXPAYER MAY BE FOUND.**

24
25 **A KNOWN ADDRESS SHALL MEAN A PARTY'S**
26 **PLACE OF RESIDENCE OR A PLACE OTHER**
27 **THAN A PARTY'S REGISTERED ADDRESS**
28 **WHERE BUSINESS ACTIVITIES ARE**
29 **CONDUCTED.**

30
31 **IN CASE PERSONAL SERVICE IS NOT**
32 **PRACTICABLE, THE LETTER OF AUTHORITY,**
33 **ASSESSMENT NOTICES, AND OTHER**
34 **REQUIRED NOTICES MAY BE SERVED BY**
35 **SUBSTITUTED SERVICE IN ACCORDANCE**
36 **WITH THE RULES OF COURT.**

1 **SEC. 5.** Section 20 of the NIRC is hereby further amended to read
2 as follows:

3
4 **SEC. 20.** *Submission of Report and Pertinent*
5 *Information by the Commissioner.* –

6
7 (A) xxx

8
9 (B) **SUBMISSION OF TAX-RELATED**
10 **INFORMATION TO THE DEPARTMENT OF**
11 **FINANCE.** – THE COMMISSIONER SHALL,
12 UPON REQUEST OF THE SECRETARY OF
13 FINANCE SPECIFICALLY IDENTIFYING THE
14 NEEDED INFORMATION AND JUSTIFICATION
15 FOR SUCH REQUEST, FURNISH THE
16 SECRETARY PERTINENT TAX-RELATED
17 INFORMATION: *PROVIDED*, THAT WHEN
18 SUCH INFORMATION TENDS TO IDENTIFY,
19 DIRECTLY OR INDIRECTLY A PARTICULAR
20 TAXPAYER, THE SECRETARY AND THE
21 RELEVANT OFFICERS HANDLING THE
22 INFORMATION SHALL BE COVERED BY THE
23 PROVISIONS OF SECTION 270 OF THIS CODE
24 UNLESS THE TAXPAYER CONSENTS IN
25 WRITING TO SUCH DISCLOSURE.

26
27 [(B)] (C) *Report to Oversight Committee.* – xxx

28
29 **SEC. 6.** Section 22 of the NIRC is hereby amended to read as
30 follows:

31
32 **SEC. 22.** *Definitions.* – When used in this Title:

33
34 xxx

35
36 (II) THE TERM ‘**CAPITAL EQUIPMENT**’

1 THE REGISTERED ACTIVITY OF THE
2 REGISTERED ENTERPRISE.

3
4 (JJ) THE TERM '*EXPORT ENTERPRISE*' SHALL
5 MEAN A REGISTERED ENTERPRISE THAT IS A
6 MANUFACTURER, PROCESSOR, OR SERVICE
7 PROVIDER AND WHOSE EXPORT SALE OF ITS
8 PRODUCTS OR SERVICES IS AT LEAST
9 NINETY PERCENT (90%) OF ITS TOTAL
10 ANNUAL PRODUCTION OF THE PRECEDING
11 TAXABLE YEAR.

12
13 (KK) THE TERM '*DOMESTIC ENTERPRISE*'
14 SHALL MEAN A REGISTERED ENTERPRISE
15 THAT PRODUCES GOODS FOR SALE OR
16 RENDERS SERVICES EXCLUSIVELY TO THE
17 DOMESTIC MARKET OR DOES NOT MEET THE
18 MINIMUM EXPORT REQUIREMENT OF AN
19 EXPORT ENTERPRISE.

20
21 (LL) THE TERM '*EXPORT SALES OF GOODS*'
22 SHALL MEAN THE SALES OF AN EXPORT
23 ENTERPRISE PAID FOR IN FREELY
24 CONVERTIBLE FOREIGN CURRENCY
25 INWARDLY REMITTED TO THE PHILIPPINES
26 FROM THE FOLLOWING:

27
28 (1) THE SALE AND ACTUAL SHIPMENT
29 OF GOODS FROM THE PHILIPPINES TO A
30 FOREIGN COUNTRY BY AN EXPORT
31 ENTERPRISE;

32
33 (2) SALES TO DIPLOMATIC MISSIONS
34 AND INSTITUTIONS COVERED BY
35 INTERNATIONAL TREATY;
36

1 OF DIRECT COSTS AND TO BE USED IN
2 THE AIRCRAFT OR SEACRAFT, AND
3 CAPITAL EQUIPMENT NEEDED FOR
4 SHIPPING OR AIR TRANSPORT
5 OPERATIONS;

6
7 (MM) THE TERM '*EXPORT SALES OF*
8 *SERVICES*' SHALL MEAN THE SALES OF AN
9 EXPORT ENTERPRISE, PAID FOR IN FREELY
10 CONVERTIBLE FOREIGN CURRENCY
11 INWARDLY REMITTED TO THE PHILIPPINES
12 FOR THE FOLLOWING:

13
14 (1) SERVICES RENDERED TO NON-
15 RESIDENT FOREIGN CLIENTS BY
16 EXPORT ENTERPRISES;

17
18 (2) SERVICES RENDERED TO
19 DIPLOMATIC MISSIONS AND
20 INSTITUTIONS COVERED BY
21 INTERNATIONAL TREATY;

22
23 (3) SERVICES FOR THE OVERHAUL,
24 REPAIR, AND MAINTENANCE OF
25 INTERNATIONAL SHIPPING, OR AIR
26 TRANSPORT OPERATIONS.

27
28 (NN) THE TERM '*INVESTMENT PROMOTION*
29 *AGENCIES*' (*IPAS*) SHALL HAVE THE SAME
30 MEANING AS THAT UNDER REPUBLIC ACT
31 NO. 10708, OR THE TAX INCENTIVES
32 MANAGEMENT AND TRANSPARENCY ACT
33 (TIMTA).

34
35 (OO) THE TERM '*REGISTERED ENTERPRISE*'
36 SHALL MEAN ANY INDIVIDUAL,

1 THE TERM "REGISTERED ENTERPRISE"
2 SHALL NOT INCLUDE ANY OF THE
3 FOLLOWING SERVICE ENTERPRISES SUCH
4 AS, BUT NOT LIMITED TO, THOSE ENGAGED
5 IN CUSTOMS BROKERAGE, TRUCKING OR
6 FORWARDING SERVICES, JANITORIAL
7 SERVICES, SECURITY SERVICES, INSURANCE,
8 BANKING, AND OTHER FINANCIAL SERVICES,
9 CONSUMERS' COOPERATIVES, CREDIT
10 UNIONS, CONSULTANCY SERVICES, RETAIL
11 BUSINESS, RESTAURANTS, OR SUCH OTHER
12 SIMILAR SERVICES, AS MAY BE DETERMINED
13 BY THE IPA BOARD, IRRESPECTIVE OF
14 LOCATION, WHETHER INSIDE OR OUTSIDE
15 THE ZONES, DULY ACCREDITED AND/OR
16 LICENSED BY ANY OF THE IPAS AND WHOSE
17 INCOME DELIVERED WITHIN THE ECONOMIC
18 ZONES SHALL BE SUBJECT TO TAXES UNDER
19 THE NATIONAL INTERNAL REVENUE CODE
20 OF 1997, AS AMENDED.

21
22 (PP) THE TERM '*SPECIAL ECONOMIC ZONE*'
23 OR '*ECOZONE*' SHALL REFER TO A SELECTED
24 AREA THAT IS HIGHLY DEVELOPED, OR
25 WHICH HAS THE POTENTIAL TO BE
26 DEVELOPED INTO AGRO-INDUSTRIAL,
27 INDUSTRIAL, INFORMATION TECHNOLOGY,
28 TOURIST/RECREATIONAL, WHOSE METES
29 AND BOUNDS ARE FIXED OR DELIMITED BY
30 PRESIDENTIAL PROCLAMATION AND WITHIN
31 A SPECIFIC GEOGRAPHICAL AREA. AN
32 ECOZONE MAY CONTAIN ANY OR ALL OF
33 THE FOLLOWING: INDUSTRIAL ESTATES
34 (IES), EXPORT PROCESSING ZONES (EPZS),
35 ICT PARKS AND CENTERS, AND FREE TRADE
36 ZONES: *PROVIDED*, THAT AREAS WHERE

1 DETERMINED BY THE FISCAL INCENTIVES
2 REVIEW BOARD (FIRB).

3
4 (QQ) THE TERM '*FREEPORT ZONE*' REFERS
5 TO AN ISOLATED AND POLICED AREA
6 ADJACENT TO A PORT OF ENTRY, WHICH
7 SHALL BE OPERATED AND MANAGED AS A
8 SEPARATE CUSTOMS TERRITORY TO ENSURE
9 FREE FLOW OR MOVEMENT OF GOODS,
10 EXCEPT THOSE EXPRESSLY PROHIBITED BY
11 LAW, WITHIN, INTO, AND EXPORTED OUT OF
12 THE FREEPORT ZONE WHERE IMPORTED
13 GOODS MAY BE UNLOADED FOR IMMEDIATE
14 TRANSSHIPMENT OR STORED, REPACKED,
15 SORTED, MIXED, OR OTHERWISE
16 MANIPULATED WITHOUT BEING SUBJECT TO
17 IMPORT DUTIES. HOWEVER, MOVEMENT OF
18 THESE IMPORTED GOODS FROM THE FREE-
19 TRADE AREA TO A NON-FREE TRADE AREA IN
20 THE COUNTRY SHALL BE SUBJECT TO ALL
21 APPLICABLE INTERNAL REVENUE TAXES
22 AND DUTIES.

23
24 (RR) THE TERM '*TAX EXPENDITURES*' REFER
25 TO PROVISIONS OF LAW THAT GRANT
26 RELIEF IN THE FORM OF TAX SUBSIDIES OR
27 TAX INCENTIVES THAT REDUCE TAX
28 REVENUES. FOR PURPOSES OF LOWERING
29 THE CORPORATE INCOME TAX RATE, THE
30 ESTIMATES OF TAX EXPENDITURES SHALL
31 INCLUDE ALL TAX SUBSIDIES OR TAX
32 INCENTIVES AVAILED OF BY BUSINESS
33 TAXPAYERS IN A PARTICULAR YEAR,
34 EXCEPT VAT, AS REPORTED BY THE DOF.
35
36

1 SEC. 7. Section 25 of the NIRC is amended to read as follows:

2 SEC. 25. *Tax on Nonresident Alien Individual. –*

3
4 (A) *Nonresident Alien Engaged in trade or Business*
5 *Within the Philippines. –*

6
7
8 XXX

9
10 (B) *Nonresident Alien Not Engaged in Trade or*
11 *Business Within the Philippines. –*

12
13 XXX

14
15 [(C) *Alien Individual Employed by Regional or Area*
16 *Headquarters and Regional Operating Headquarters of*
17 *Multinational Companies.*- There shall be levied,
18 collected and paid for each taxable year upon the gross
19 income received by every alien individual employed by
20 regional or area headquarters and regional operating
21 headquarters established in the Philippines by
22 multinational companies as salaries, wages, annuities,
23 compensation, remuneration and other emoluments, such
24 as honoraria and allowances, from such regional or area
25 headquarters and regional operating headquarters, a tax
26 equal to fifteen percent (15%) of such gross income:
27 Provided, however, That the same tax treatment shall
28 apply to Filipinos employed and occupying the same
29 position as those of aliens employed by these
30 multinational companies. For purposes of this Chapter,
31 the term 'multinational company' means a foreign firm or
32 entity engaged in international trade with affiliates or
33 subsidiaries or branch offices in the Asia-Pacific Region
34 and other foreign markets.]

35 [(D) *Alien Individual Employed by Offshore Banking*
36

1 emoluments, such as honoraria and allowances, from
2 such off-shore banking units, a tax equal to fifteen
3 percent (15%) of such gross income: Provided, however,
4 That the same tax treatment shall apply to Filipinos
5 employed and occupying the same positions as those of
6 aliens employed by these offshore banking units.]

7
8 [(E) *Alien Individual Employed by Petroleum Service*
9 *Contractor and Subcontractor.* - An Alien individual
10 who is a permanent resident of a foreign country but who
11 is employed and assigned in the Philippines by a foreign
12 service contractor or by a foreign service subcontractor
13 engaged in petroleum operations in the Philippines shall
14 be liable to a tax of fifteen percent (15%) of the salaries,
15 wages, annuities, compensation, remuneration and other
16 emoluments, such as honoraria and allowances, received
17 from such contractor or subcontractor: Provided,
18 however, That the same tax treatment shall apply to a
19 Filipino employed and occupying the same position as
20 an alien employed by petroleum service contractor and
21 subcontractor.]

22
23 [Any income earned from all other sources within the
24 Philippines by the alien employees referred to under
25 Subsections (C), (D) and (E) hereof shall be subject to
26 the pertinent income tax, as the case may be, imposed
27 under this Code.]

28
29 **SEC. 8.** Section 27 of the NIRC is hereby amended to read:

30
31 **SEC. 27.** *Rates of Income Tax on Domestic*
32 *Corporations.* -

33
34 (A) *In General.* - Except as otherwise provided in this
35 Code, an income tax of [thirty-five percent (35%)]
36 **THIRTY PERCENT (30%)** is hereby imposed upon

Philippines: [*Provided*, That effective January 1, 2009, the rate of income tax shall be thirty percent (30%).] **PROVIDED, THAT EFFECTIVE JANUARY 1, 2020, THE PRESIDENT, UPON THE RECOMMENDATION OF THE SECRETARY OF FINANCE, SHALL REDUCE THE RATE BY ONE PERCENTAGE POINT WHEN THE RATIO OF TAX EXPENDITURES TO GROSS DOMESTIC PRODUCT (GDP) TWO (2) YEARS PRIOR THE EFFECTIVITY OF THE NEW RATE IS REDUCED BY AT LEAST FIFTEEN HUNDREDTH PERCENT (0.15%): PROVIDED FURTHER, THAT THE RATE SHALL BE FURTHER REDUCED BY ONE PERCENTAGE POINT FOR EVERY ADDITIONAL FIFTEEN-HUNDREDTH PERCENT (0.15%) REDUCTION IN THE TAX EXPENDITURES TO GDP RATIO: PROVIDED FINALLY, THAT THE RATE SHALL NOT BE LOWER THAN TWENTY-FIVE PERCENT (25%).**

XXX

FOR PURPOSES OF THIS SECTION, SECTION 28 (A) (1) AND SECTION 28 (B), THE AMOUNT OF TAX EXPENDITURES SHALL BE DETERMINED THROUGH THE ANNUAL TAX EXPENDITURE REPORT PREPARED BY THE DEPARTMENT OF FINANCE AND SUBMITTED TO THE DEPARTMENT OF BUDGET AND MANAGEMENT, AS MANDATED BY REPUBLIC ACT NO. 10708.

[*Provided, further*, That the President, upon the recommendation of the Secretary of Finance, may effective January 1, 2000, allow corporations the option to be taxed at fifteen percent (15%) of gross income as

1
2 [(2) A ratio of forty percent (40%) of income tax
3 collection to total tax revenues;]

4
5 [(3) A VAT tax effort of four percent (4%) of GNP;
6 and]

7
8 [(4) A 0.9 percent (0.9%) ratio of the Consolidated
9 Public Sector Financial Position (CPSFP) to GNP.]

10
11 [The option to be taxed based on gross income shall be
12 available only to firms whose ratio of cost of sales to
13 gross sales or receipts from all sources does not exceed
14 fifty-five percent (55%).]

15
16 [The election of the gross income tax option by the
17 corporation shall be irrevocable for three (3) consecutive
18 taxable years during which the corporation is qualified
19 under the scheme.]

20
21 [For purposes of this Section, the term '*gross income*'
22 derived from business shall be equivalent to gross sales
23 less sales returns, discounts and allowances and cost of
24 goods sold. '*Cost of goods sold*' shall include all
25 business expenses directly incurred to produce the
26 merchandise to bring them to their present location and
27 use.]

28
29 [For a trading or merchandising concern, '*cost of goods*
30 *sold*' shall include the invoice cost of the goods sold,
31 plus import duties, freight in transporting the goods to
32 the place where the goods are actually sold, including
33 insurance while the goods are in transit.]

34
35 [For a manufacturing concern, '*cost of goods*
36 *manufactured and sold*' shall include all costs of

1 [In the case of taxpayers engaged in the sale of service,
2 'gross income' means gross receipts less sales returns,
3 allowances and discounts.]

4
5 [(B) *Proprietary Educational Institutions and Hospitals.*
6 – Proprietary educational institutions and hospitals
7 which are nonprofit shall pay a tax of ten percent (10%)
8 on their taxable income except those covered by
9 Subsection (D) hereof: *Provided*, That if the gross
10 income from unrelated trade, business or other activity
11 exceeds fifty percent (50%) of the total gross income
12 derived by such educational institutions or hospitals
13 from all sources, the tax prescribed in Subsection (A)
14 hereof shall be imposed on the entire taxable income.
15 For purposes of this Subsection, the term 'unrelated
16 trade, business or other activity' means any trade,
17 business or other activity, the conduct of which is not
18 substantially related to the exercise or performance by
19 such educational institution or hospital of its primary
20 purpose or function. A '*proprietary educational*
21 *institution*' is any private school maintained and
22 administered by private individuals or groups with an
23 issued permit to operate from the Department of
24 Education, Culture and Sports (DECS), or the
25 Commission on Higher Education (CHED), or the
26 Technical Education and Skills Development Authority
27 (TESDA), as the case may be, in accordance with
28 existing laws and regulations.]

29
30 [(C)] (B) *Government-owned or –Controlled*
31 *Corporations, Agencies or Instrumentalities.* – The
32 provisions of existing special or general laws to the
33 contrary notwithstanding, all corporations, agencies, or
34 instrumentalities owned or controlled by the
35 Government, except the Government Service Insurance
36 System (GSIS), the Social Security System (SSS), AND

1
2 [(D)] (C) xxx

3
4 [(E)] (D) xxx

5
6 xxx

7
8
9 **SEC. 9.** Section 28 of the NIRC is hereby amended to read:

10
11 *SEC. 28. Rates of Income Tax on Foreign Corporations. –*

12
13 *(A) Tax on Resident Foreign Corporations. –*

14
15 (1) *In General.* – Except as otherwise provided in this
16 Code, a corporation organized, authorized, or existing
17 under the laws of any foreign country, engaged in trade or
18 business within the Philippines, shall be subject to an
19 income tax equivalent to [thirty-five percent (35%)]
20 **THIRTY PERCENT (30%)** of the taxable income
21 derived in the preceding taxable year from all sources
22 within the Philippines: [Provided, That effective January
23 1, 2009, the rate of income tax shall be thirty percent
24 (30%).] **PROVIDED, THAT EFFECTIVE JANUARY**
25 **1, 2020, THE PRESIDENT, UPON THE**
26 **RECOMMENDATION OF THE SECRETARY OF**
27 **FINANCE, SHALL REDUCE THE RATE BY ONE**
28 **PERCENTAGE POINT WHEN THE RATIO OF**
29 **TAX EXPENDITURES TO GROSS DOMESTIC**
30 **PRODUCT (GDP) TWO (2) YEARS PRIOR TO THE**
31 **EFFECTIVITY OF THE NEW RATE IS REDUCED**
32 **BY AT LEAST FIFTEEN-HUNDREDTH PERCENT**
33 **(0.15%); PROVIDED FURTHER, THAT THE RATE**
34 **SHALL BE FURTHER REDUCED BY ONE**
35 **PERCENTAGE POINT FOR EVERY ADDITIONAL**
36 **FIFTEEN-HUNDREDTH PERCENT (0.15%)**

1 XXX

2
3 [Provided, however, That a resident foreign corporation
4 shall be granted the option to be taxed at fifteen percent
5 (15%) on gross income under the same conditions, as
6 provided in Section 27 (A).]

7
8 (2) *Minimum Corporate Income Tax on Resident*
9 *Foreign Corporations.* – xxx

10
11 (3) *International Carrier.* – xxx

12
13 (4) *Offshore Banking Units.* – xxx.

14
15 (5) *Tax on Branch Profits Remittances.* – Any profit
16 remitted by a branch to its head office shall be subject to
17 a tax of fifteen percent (15%) which shall be based on
18 the total profits applied or earmarked for remittance
19 without any deduction for the tax component thereof
20 [(except those activities which are registered with the
21 Philippine Economic Zone Authority)]. xxx

22
23 [(6) *Regional or Area Headquarters and Regional*
24 *Operating Headquarters of Multinational Companies.* –

25
26 (a) Regional or area headquarters as defined in Section
27 22 (DD) shall not be subject to income tax.

28
29 (b) Regional operating headquarters as defined in
30 Section 22 (EE) shall pay a tax of ten percent (10%) of
31 their taxable income.]

32
33 [(7)] (6) *Tax on Certain Incomes Received by a*
34 *Resident Foreign Corporation.* –

35
36 (a) *Interest from Deposits and Yield or any other*

1 from sources within the Philippines shall be subject to a
2 final income tax at the rate of twenty percent (20%) of
3 such interest: Provided, however, That interest income
4 derived by a resident foreign corporation from a
5 depository bank under the expanded foreign currency
6 deposit system shall be subject to a final income tax at
7 the rate of [seven and one-half percent (7 1/2%)]
8 **FIFTEEN PERCENT (15%)** of such interest income.

9
10 (b) *Income Derived under the Expanded Foreign*
11 *Currency Deposit System.* – xxx

12
13 (c) *Capital Gains from Sale of Shares of Stock Not*
14 *Traded in the Stock Exchange.* – A final tax at the rate[s
15 prescribed below] **OF FIFTEEN PERCENT (15%)** is
16 hereby imposed upon the net capital gains realized
17 during the taxable year from the sale, barter, exchange or
18 other disposition of shares of stock in a domestic
19 corporation xcept shares sold or disposed of through the
20 stock exchange[:].

21
22 [Not over P100,000 5%
23 On any amount in excess of P100,000 10%]

24
25 (d) *Intercorporate Dividends.* – xxx

26
27 (B) *Tax on Nonresident Foreign Corporation.* –

28
29 (1) *In General.* – Except as otherwise provided in this
30 Code, a foreign corporation not engaged in trade or
31 business in the Philippines shall pay a tax equal to
32 [thirty-five percent (35%)] **THIRTY PERCENT (30%)**
33 of the gross income received during each taxable year
34 from all sources within the Philippines, such as interests,
35 dividends, rents, royalties, salaries, premiums (except
36 reinsurance premiums), annuities, emoluments or other

1 EFFECTIVE JANUARY 1, 2020, THE PRESIDENT,
2 UPON THE RECOMMENDATION OF THE
3 SECRETARY OF FINANCE, SHALL REDUCE
4 THE RATE BY ONE PERCENTAGE POINT
5 WHEN THE RATIO OF TAX EXPENDITURES TO
6 GROSS DOMESTIC PRODUCT (GDP) TWO (2)
7 YEARS PRIOR THE EFFECTIVITY OF THE NEW
8 RATE IS REDUCED BY AT LEAST FIFTEEN-
9 HUNDREDTH PERCENT (0.15%): *PROVIDED*
10 *FURTHER*, THAT THE RATE SHALL BE
11 FURTHER REDUCED BY ONE PERCENTAGE
12 POINT FOR EVERY ADDITIONAL FIFTEEN-
13 HUNDREDTH PERCENT (0.15%) REDUCTION IN
14 THE TAX EXPENDITURES TO GDP RATIO:
15 *PROVIDED FINALLY*, THAT THE RATE SHALL
16 NOT BE LOWER THAN TWENTY-FIVE
17 PERCENT (25%).

18
19 [(2) *Nonresident Cinematographic Film Owner, Lessor*
20 *or Distributor.* - A cinematographic film owner, lessor,
21 or distributor shall pay a tax of twenty-five percent
22 (25%) of its gross income from all sources within the
23 Philippines.]

24
25 [(3) *Nonresident Owner or Lessor of Vessels Chartered*
26 *by Philippine Nationals.* - A nonresident owner or lessor
27 of vessels shall be subject to a tax of four and one-half
28 percent (4 1/2%) of gross rentals, lease or charter fees
29 from leases or charters to Filipino citizens or
30 corporations, as approved by the Maritime Industry
31 Authority.]

32
33 [(4) *Nonresident Owner or Lessor of Aircraft,*
34 *Machineries and Other Equipment.* - Rentals, charters
35 and other fees derived by a nonresident lessor of aircraft,
36 machineries and other equipment shall be subject to a tax

1
2 (a) *Interest on Foreign Loans.* – xxx

3
4 (b) *Intercorporate Dividends.* – A final withholding
5 tax at the rate of fifteen percent (15%) is hereby imposed
6 on the amount of cash and/or property dividends
7 received from a domestic corporation, which shall be
8 collected and paid as provided in Section 57 (A) of this
9 Code, subject to the condition that the country in which
10 the nonresident foreign corporation is domiciled, shall
11 allow a credit against the tax due from the nonresident
12 foreign corporation taxes deemed to have been paid in
13 the Philippines equivalent to [twenty percent (20%),]
14 **FIFTEEN PERCENT (15%)**, which represents the
15 difference between the regular income tax of [thirty-five
16 percent (35%)] **THIRTY PERCENT (30%)** and the
17 fifteen percent (15%) tax on dividends as provided in
18 this subparagraph; *Provided*, That effective [January 1,
19 2009] **JANUARY 1, 2019**, the credit against the tax due
20 shall **REMAIN** [be] equivalent to fifteen percent (15%),
21 which represents the difference between the regular
22 income tax of thirty percent (30%) and the fifteen
23 percent (15%) tax on dividends[:]; **PROVIDED**
24 **FURTHER, THAT THE ABOVE RATE SHALL BE**
25 **REDUCED BY ONE PERCENTAGE POINT FOR**
26 **EVERY ONE PERCENTAGE POINT REDUCTION**
27 **IN THE CORPORATE INCOME TAX RATE AS**
28 **PROVIDED IN SECTION 28 (B)(1) OF THIS**
29 **CODE.**

30
31 (c) *Capital Gains from Sale of Shares of Stock not*
32 *Traded in the Stock Exchange.* – A final tax at the rate[s
33 prescribed below] **OF FIFTEEN PERCENT (15%)** is
34 hereby imposed upon the net capital gains realized
35 during the taxable year from the sale, barter, exchange or
36 other disposition of shares of stock in a domestic

1 SEC. 10. Section 34 of the NIRC is hereby amended to read:

2
3 SEC. 34. *Deductions from Gross Income.* - xxx

4
5 (A) *Expenses.* -

6
7 (1) *Ordinary and Necessary Trade, Business or*
8 *Professional Expenses.* - xxx

9
10 [(2) *Expenses Allowable to Private Educational*
11 *Institutions.* - In addition to the expenses allowable as
12 deductions under this Chapter, a private educational
13 institution, referred to under Section 27 (B) of this Code,
14 may at its option elect either: (a) to deduct expenditures
15 otherwise considered as capital outlays of depreciable
16 assets incurred during the taxable year for the expansion
17 of school facilities or (b) to deduct allowance for
18 depreciation thereof under Subsection (F) hereof.]

19
20 (B) *Interest.* -

21
22 (1) *In General.* - The amount of interest paid or incurred
23 within a taxable year on indebtedness in connection with
24 the taxpayer's profession, trade or business shall be
25 allowed as deduction from gross income: *Provided,*
26 *however,* That the taxpayer's otherwise allowable
27 deduction for interest expense shall be reduced by [forty-
28 two percent (42%)] **THIRTY THREE PERCENT**
29 **(33%)** of the interest income subjected to final tax:
30 [*Provided,* That effective January 1, 2009, the
31 percentage shall be thirty-three percent (33%).]
32 **PROVIDED FINALLY, THAT THE FOLLOWING**
33 **PERCENTAGES SHALL APPLY IF THE**
34 **CORPORATE INCOME TAX RATE AS**
35 **PROVIDED IN SECTIONS 27 (A) AND 28(A)(1) IS**
36 **ADJUSTED AS FOLLOWS:**

1 IF THE RATE IS 28%, INTEREST EXPENSE
2 REDUCTION RATE IS 28%;

3
4 IF THE RATE IS 27%, INTEREST EXPENSE
5 REDUCTION RATE IS 25%;

6
7 IF THE RATE IS 26%, INTEREST EXPENSE
8 REDUCTION RATE IS 23%;

9
10 IF THE RATE IS 25%, INTEREST EXPENSE
11 REDUCTION RATE IS 20%.

12
13 XXX

14
15 (L) *Optional Standard Deduction (OSD)*. - In lieu of the
16 deductions allowed under the preceding Subsections, an
17 individual subject to tax under Section 24, other than a
18 nonresident alien, [may elect a standard deduction in an
19 amount not exceeding forty percent (40%) of his gross
20 sales or gross receipts, as the case maybe. In the case of
21 a] **AND** A corporation subject to tax under Sections
22 27(A) and 28 (A)(1), [it] may elect a standard deduction
23 in an amount not exceeding **TWENTY PERCENT**
24 **(20%)** [forty percent (40%)] of its gross income as
25 defined in Section 32 of this Code. Unless the taxpayer
26 signifies in his return his intention to elect the optional
27 standard deduction, he shall be considered as having
28 availed himself of the deductions allowed in the
29 preceding Subsections. Such election when made in the
30 return shall be irrevocable for the taxable year for which
31 the return is made: *Provided*, That an individual who is
32 entitled to and claimed for the optional standard
33 deduction shall not be required to submit with his tax
34 return such financial statements otherwise required under
35 this Code: *Provided, further*, That except when the
36 Commissioner otherwise permits, the said individual

1 the Secretary of Finance, upon, recommendation of the
2 Commissioner.

3
4 XXX

5
6
7 **SEC. 11.** Section 40(C)(2) of the NIRC is hereby amended to
8 read:

9
10 *SEC. 40. Determination of Amount and Recognition of*
11 *Gain or Loss. –*

12
13 XXX

14
15 (C) *Exchange of Property. –*

16
17 (1) *General Rule. –* xxx

18
19 (2) *Exception. –* No gain or loss shall be recognized
20 [if] **TO A CORPORATION OR ON ITS STOCK OR**
21 **SECURITIES IF SUCH CORPORATION IS A**
22 **PARTY TO A REORGANIZATION AND**
23 **EXCHANGES OF PROPERTY** in pursuance of a plan
24 of [merger or consolidation] **REORGANIZATION**
25 **SOLELY FOR STOCK OR SECURITIES IN**
26 **ANOTHER CORPORATION THAT IS A PARTY**
27 **TO THE REORGANIZATION.**

28
29 **A REORGANIZATION IS DEFINED AS:**

30
31 [(a) A corporation, which is a party to a merger or
32 consolidation, exchanges property solely for stock in a
33 corporation, which is a party to the merger or
34 consolidation; or]

35
36 [(b) A shareholder exchanges stock in a corporation,

1 [(c) A security holder of a corporation, which is a
2 party to the merger or consolidation, exchanges his
3 securities in such corporation, solely for stock or
4 securities in such corporation, a party to the merger or
5 consolidation.]

6
7 (A) A STATUTORY MERGER OR
8 CONSOLIDATION;

9
10 (B) THE ACQUISITION BY ONE
11 CORPORATION, IN EXCHANGE SOLELY FOR
12 ALL OR A PART OF ITS VOTING STOCK (OR IN
13 EXCHANGE SOLELY FOR ALL OR A PART OF
14 THE VOTING STOCK OF A CORPORATION
15 WHICH IS IN CONTROL OF THE ACQUIRING
16 CORPORATION), OF STOCK OF ANOTHER
17 CORPORATION IF, IMMEDIATELY AFTER THE
18 ACQUISITION, THE ACQUIRING
19 CORPORATION HAS CONTROL OF SUCH
20 OTHER CORPORATION (WHETHER OR NOT
21 SUCH ACQUIRING CORPORATION HAD
22 CONTROL IMMEDIATELY BEFORE THE
23 ACQUISITION);

24
25 (C) THE ACQUISITION BY ONE
26 CORPORATION, IN EXCHANGE SOLELY FOR
27 ALL OR A PART OF ITS VOTING STOCK (OR IN
28 EXCHANGE SOLELY FOR ALL OR A PART OF
29 THE VOTING STOCK OF A CORPORATION
30 WHICH IS IN CONTROL OF THE ACQUIRING
31 CORPORATION), OR SUBSTANTIALLY ALL OF
32 THE PROPERTIES OF ANOTHER
33 CORPORATION, BUT IN DETERMINING
34 WHETHER THE EXCHANGE IS SOLELY FOR
35 STOCK THE ASSUMPTION BY THE
36 ACQUIRING CORPORATION OF A LIABILITY

1 No gain or loss shall also be recognized if property is
2 transferred to a corporation by [a] **ONE OR MORE**
3 personS in exchange for stock [or unit of participation]
4 in such a corporation [of which as a result of such
5 exchange said person, alone or together with others, not
6 exceeding four (4) persons, gains control of said
7 corporation]: *Provided*, that stocks issued for services
8 shall not be considered as issued in return for property.

9
10 **IN ALL OF THE ABOVE INSTANCES, THE**
11 **TRANSACTION OR ARRANGEMENT MUST BE**
12 **UNDERTAKEN FOR A LEGITIMATE OR *BONA***
13 ***FIDE* BUSINESS PURPOSE AND NOT SOLELY**
14 **FOR THE PURPOSE OF AVOIDING OR**
15 **ESCAPING THE BURDEN OF TAXATION. IN**
16 **CASES WHERE THE TRANSACTION OR**
17 **ARRANGEMENT ENTERED INTO IS FOUND TO**
18 **BE NOT FOR LEGITIMATE OR *BONA FIDE***
19 **BUSINESS PURPOSE, THE PROVISION OF**
20 **SECTION 50 OF THIS CODE SHALL BE**
21 **APPLIED AND ENFORCED.**

22
23 ***PROVIDED, HOWEVER, THAT SALE OR***
24 ***EXCHANGES OF PROPERTY USED FOR***
25 ***BUSINESS FOR SHARES OF STOCK COVERED***
26 ***UNDER THIS SUBSECTION SHALL NOT BE***
27 ***SUBJECT TO VALUE ADDED TAX (VAT).***

28
29 **SEC. 12.** Section 50 of the NIRC is hereby repealed and replaced
30 by a new Section to read as follows:

31
32 [SEC. 50. *Allocation of Income and Deductions.* In the
33 case of two or more organizations, trades or businesses
34 (whether or not incorporated and whether or not
35 organized in the Philippines) owned or controlled
36 directly or indirectly by the same interests, the

1 to reflect the income of any such organization, trade or
2 business.]

3
4 **SEC. 50. AUTHORITY OF THE COMMISSIONER**
5 **TO DISTRIBUTE, APPORTION, ALLOCATE, AND**
6 **IMPUTE INCOME AND DEDUCTIONS TO**
7 **DISREGARD AND COUNTERACT TAX**
8 **AVOIDANCE ARRANGEMENTS. – IN CASE OF**
9 **TWO OR MORE ORGANIZATIONS, TRADES OR**
10 **BUSINESSES (WHETHER OR NOT**
11 **INCORPORATED AND WHETHER OR NOT**
12 **ORGANIZED IN THE PHILIPPINES) OWNED OR**
13 **CONTROLLED DIRECTLY OR INDIRECTLY BY**
14 **THE SAME INTERESTS, THE COMMISSIONER**
15 **IS AUTHORIZED TO DISTRIBUTE, APPORTION,**
16 **ALLOCATE, OR IMPUTE INCOME OR**
17 **DEDUCTIONS BETWEEN OR AMONG SUCH**
18 **ORGANIZATION, TRADE OR BUSINESS, IF THE**
19 **COMMISSIONER DETERMINES THAT SUCH**
20 **DISTRIBUTION, APPORTIONMENT,**
21 **ALLOCATION, OR IMPUTATION IS**
22 **NECESSARY IN ORDER TO PREVENT EVASION**
23 **OF TAXES OR TO CLEARLY REFLECT THE**
24 **INCOME OF ANY SUCH ORGANIZATION,**
25 **TRADE, OR BUSINESS.**

26
27 **IN CASES WHEN A TRANSACTION OR**
28 **ARRANGEMENT, WHETHER ENTERED INTO**
29 **BY THE PERSON AFFECTED BY THE**
30 **TRANSACTION OR ARRANGEMENT OR BY**
31 **ANOTHER PERSON, THAT DIRECTLY OR**
32 **INDIRECTLY HAS TAX AVOIDANCE AS ITS**
33 **PURPOSES OR EFFECTS, WHETHER OR NOT**
34 **ANY OTHER PURPOSE OR EFFECT IS**
35 **ATTRIBUTABLE AS TO ORDINARY BUSINESS**
36 **OR FAMILY DEALINGS, IF THE TAX**

1 PURPOSES, AND MAY ADJUST THE TAXABLE
2 INCOME OF A PERSON AFFECTED BY THE
3 ARRANGEMENT IN A WAY THE
4 COMMISSIONER THINKS APPROPRIATE, IN
5 ORDER TO COUNTERACT A TAX ADVANTAGE
6 OBTAINED BY THE PERSON FROM OR UNDER
7 THE ARRANGEMENT.

8
9 FOR PURPOSES OF THIS SECTION, THE TERM
10 "TAX AVOIDANCE" INCLUDES:

11
12 (A) DIRECTLY OR INDIRECTLY ALTERING
13 THE INCIDENCE OF ANY INCOME TAX;

14
15 (B) DIRECTLY OR INDIRECTLY RELIEVING A
16 PERSON FROM LIABILITY TO PAY INCOME
17 TAX OR FROM A POTENTIAL OR
18 PROSPECTIVE LIABILITY TO FUTURE
19 INCOME TAX;

20
21 (C) DIRECTLY OR INDIRECTLY AVOIDING,
22 POSTPONING, OR REDUCING ANY LIABILITY
23 TO INCOME TAX, OR ANY POTENTIAL OR
24 PROSPECTIVE LIABILITY TO FUTURE
25 INCOME TAX.

26
27 THERE IS 'TAX AVOIDANCE' IN THE
28 AFOREMENTIONED INSTANCES, WHERE THE
29 TRANSACTION OR ARRANGEMENT IS
30 MOTIVATED BY OBTAINING TAX BENEFIT OR
31 ADVANTAGE WITH NO COMMERCIAL
32 REALITY OR ECONOMIC EFFECT AND THE
33 USE OF THE PROVISIONS OF THE TAXATION
34 LAW ON SUCH TRANSACTION OR
35 ARRANGEMENT WOULD NOT HAVE BEEN
36 THE INTENTION OF THE LAW.

1 **SEC. 13.** Section 73 of the NIRC is hereby amended to read as
2 follows:

3
4 *SEC. 73. Distribution of Dividends or Assets by*
5 *Corporations.* ~~[[C]]~~

6
7 *(A) Definition of Dividends. - xxx*

8
9 [Where a corporation distributes all of its assets in
10 complete liquidation or dissolution, the gain realized or
11 loss sustained by the stockholder, whether individual or
12 corporate, is a taxable income or a deductible loss, as the
13 case may be.]

14
15 *(B) Stock Dividend. - xxx*

16
17 **(C) LIQUIDATING DIVIDENDS. - LIQUIDATING**
18 **DIVIDENDS REPRESENTING THE REMAINING**
19 **GAINS REALIZED OR LOSS SUSTAINED BY**
20 **THE STOCKHOLDER IN A COMPLETE**
21 **LIQUIDATION OR DISSOLUTION BY A**
22 **CORPORATION.**

23
24 ~~[[C]]~~ **(D) Dividends Distributed are Deemed Made**
25 **from Most Recently Accumulated Profits. - xxx**

26
27 ~~[[D]]~~ **(E) Net Income of a Partnership Deemed**
28 **Constructively Received by Partners. - xxx**

29
30
31 **SEC. 14.** Section 112 (A)(B) of the NIRC is hereby amended to
32 read:

33
34 *SEC. 112. Refunds or Tax Credits of Input Tax. -*

35
36 *(A) Zero-rated or Effectively Zero-rated Sales. - Any*

1 to such sales, except transitional input tax, to the extent
2 that such input tax has not been applied against output
3 tax: *Provided, however,* That in the case of zero-rated
4 sales under Section 106(A)(2)(a)(1), (2) [and (B)] and
5 Section 108 (B)(1) and (2), the acceptable foreign
6 currency exchange proceeds thereof had been duly
7 accounted for in accordance with the rules and
8 regulations of the Bangko Sentral ng Pilipinas
9 (BSP): **PROVIDED FURTHER, THAT**
10 **SECTION 106(A)(2)(a)(2) AND SECTION 108 (B)(1)**
11 **SHALL NO LONGER BE SUBJECT TO ZERO**
12 **PERCENT VAT RATE IN ACCORDANCE WITH**
13 **THE VAT REFUND PROVISIONS UNDER**
14 **SECTION 106(A) AND SECTION 108(B),**
15 **RESPECTIVELY:** *Provided, further,* That where the
16 taxpayer is engaged in zero-rated or effectively zero-
17 rated sale and also in taxable or exempt sale of goods or
18 properties or services, and the amount of creditable input
19 tax due or paid cannot be directly and entirely attributed
20 to any one of the transactions, it shall be allocated
21 proportionately on the basis of the volume of sales.
22 *Provided, finally,* that for a person making sales that are
23 zero-rated under Section 108(B)(6), the input taxes shall
24 be allocated ratably between his zero-rated and non-
25 zero-rated sales.

26
27 (B) *Cancellation of VAT Registration.* – A person whose
28 registration has been cancelled due to retirement from or
29 cessation of business, or due to changes in or cessation
30 of status under Section 106(C) of this Code may, within
31 two (2) years from the date of cancellation, apply
32 for **REFUND** [the issuance of a tax credit certificate] for
33 any unused input tax [which may be used in payment of
34 his other internal revenue taxes].

35
36 (C) *Period within which Refund of Input Taxes shall be*

1 (B) hereof: *Provided*, that should the commissioner find
2 that the grant of refund is not proper, the commissioner
3 must state in writing the legal and factual basis for the
4 denial.

5
6 In case of full or partial denial of the claim for tax refund
7 **OR TAX CREDIT, OR THE FAILURE ON THE**
8 **PART OF THE COMMISSIONER TO ACT ON**
9 **THE APPLICATION WITHIN THE PERIOD**
10 **PRESCRIBED ABOVE**, the taxpayer affected may,
11 within thirty (30) days from the receipt of the decision
12 denying the claim **OR AFTER THE EXPIRATION**
13 **OF THE ONE HUNDRED TWENTY DAY-**
14 **PERIOD**, appeal the decision **OR THE UNACTED**
15 **CLAIM** with the Court of Tax Appeals: *Provided*,
16 *however*, that failure on the part of any official, agent, or
17 employee of the BIR to act on the application within the
18 ninety (90)-day period shall be punishable under section
19 269 of this Code.

20
21
22 **SEC. 15.** Section 119 of the NIRC is hereby amended to read:

23
24 *Sec. 119. Tax on Franchises.* – Any provision of general
25 or special law to the contrary notwithstanding, there
26 shall be levied, assessed and collected in respect to all
27 **EXISTING OR FUTURE** franchise agreement or law
28 pertaining **TO** franchises on radio and/or television
29 broadcasting **AND TELECOMMUNICATION**
30 companies whose annual gross receipts of the preceding
31 year do not exceed Ten million pesos (P10,000,000.00),
32 subject to Section 236 of this Code, a **FRANCHISE** tax
33 of three percent (3%), and on gas and water utilities, a
34 **FRANCHISE** tax of two percent (2%) on the gross
35 receipts derived from the business covered by the law
36 granting the franchise: *Provided, however*, That radio

1 *Provided, further,* That once the option is exercised, said
2 option shall not be irrevocable.]

3
4 XXX

5
6 **SEC. 16.** Section 119 of the NIRC is hereby further amended to
7 insert thereafter a new section 119-A to read as follows:

8
9 **SECTION 119-A. *FRANCHISES OF DOMESTIC***
10 ***AIRLINES.* – THE PROVISIONS OF P.D. NO. 1590**
11 **ON THE FRANCHISE TAX OF PHILIPPINE**
12 **AIRLINES, INC., R.A. NO. 7151 ON THE**
13 **FRANCHISE TAX OF CEBU AIR, INC., R.A. NO.**
14 **7583 ON THE FRANCHISE TAX OF ABOITIZ AIR**
15 **TRANSPORT CORPORATION, R.A. NO. 7909 ON**
16 **THE FRANCHISE TAX OF PACIFIC AIRWAYS**
17 **CORPORATION, R.A. NO. 8339 ON THE**
18 **FRANCHISE TAX OF AIR PHILIPPINES, OR**
19 **ANY OTHER EXISTING OR FUTURE**
20 **FRANCHISE AGREEMENTS OR LAWS**
21 **PERTAINING TO A DOMESTIC AIRLINE TO**
22 **THE CONTRARY NOTWITHSTANDING:**

23
24 **(A) THE FRANCHISEE SHALL BE LIABLE TO**
25 **PAY A FRANCHISE TAX OF 3% OF GROSS**
26 **RECEIPTS DERIVED FROM TRANSPORT**
27 **OPERATIONS;**

28
29 **(B) THE FRANCHISEE SHALL BE LIABLE TO**
30 **PAY THE CORPORATE INCOME TAX FOR**
31 **REVENUES DERIVED FROM ALL SOURCES;**

32
33 **(C) THE FRANCHISEE SHALL REGISTER FOR**
34 **VALUE-ADDED TAX UNDER SECTION 236, AND**
35 **TO ACCOUNT UNDER TITLE IV OF THE**
36 **NATIONAL INTERNAL REVENUE CODE OF**

1 (D) THE FRANCHISEE IS LIABLE TO PAY ALL
2 APPLICABLE TAXES AND IMPOSITIONS
3 LEVIED UNDER THE NATIONAL INTERNAL
4 REVENUE CODE, AS AMENDED, AND THE
5 LOCAL GOVERNMENT CODE, AS AMENDED.
6

7 THE FRANCHISEE SHALL FILE THE RETURN
8 WITH, AND PAY THE TAX DUE THEREON TO
9 THE COMMISSIONER OR HIS DULY
10 AUTHORIZED REPRESENTATIVE, IN
11 ACCORDANCE WITH THE PROVISIONS OF
12 SECTION 128 OF THIS CODE, AND THE
13 RETURN SHALL BE SUBJECT TO AUDIT BY
14 THE BUREAU OF INTERNAL REVENUE, ANY
15 PROVISION OF ANY EXISTING LAW TO THE
16 CONTRARY NOTWITHSTANDING.
17

18 SEC. 17. Section 204 of the NIRC is hereby amended to read:

19
20 SEC. 204. *Authority of the Commissioner to*
21 *Compromise, Abate and Refund or Credit Taxes.* – The
22 Commissioner may –

23
24 (A) Compromise the payment of any internal revenue
25 tax, when:
26

27 XXX

28
29 Where the basic tax involved exceeds [One million pesos
30 (P1,000,000)] **TEN MILLION PESOS (P10,000,000)**
31 or where the settlement offered is less than the
32 prescribed minimum rates, the compromise shall be
33 subject to the approval of the Evaluation Board which
34 shall be composed of the Commissioner and the four (4)
35 Deputy Commissioners.
36

1 **SEC. 18.** Section 220 of the NIRC is hereby amended to read:

2
3 **SEC. 220.** *Form and Mode of Proceeding in Actions*
4 *Arising under this Code.* – [Civil and criminal actions
5 and proceedings instituted in behalf of the Government
6 under the authority of this Code or other law enforced by
7 the Bureau of Internal Revenue shall be brought in the
8 name of the Government of the Philippines and shall be
9 conducted by legal officers of the Bureau of Internal
10 Revenue but no civil or criminal action for the recovery
11 of taxes or the enforcement of any fine, penalty or
12 forfeiture under this Code shall be filed in court without
13 the approval of the Commissioner.]

14
15 **ALL CIVIL AND CRIMINAL ACTIONS SHALL**
16 **BE BROUGHT IN THE NAME OF THE**
17 **GOVERNMENT OF THE PHILIPPINES AND**
18 **SHALL BE FILED IN COURT WITH THE**
19 **APPROVAL OF THE COMMISSIONER OF**
20 **INTERNAL REVENUE OR HIS OR HER DULY**
21 **AUTHORIZED REPRESENTATIVE.**

22
23 **CIVIL ACTIONS INVOLVING DISPUTED**
24 **ASSESSMENTS AND COLLECTIONS OR**
25 **REFUNDS OF INTERNAL REVENUE TAXES,**
26 **FEES OR OTHER CHARGES OR PENALTIES IN**
27 **RELATION THERETO, OR OTHER MATTERS**
28 **ARISING UNDER THIS CODE OR OTHER LAW**
29 **ENFORCED BY THE BUREAU SHALL BE**
30 **HANDLED EXCLUSIVELY BY LEGAL**
31 **OFFICERS OF THE BUREAU IN ALL STAGES**
32 **OF THE PROCEEDINGS, INCLUDING APPEALS**
33 **BEFORE THE PROPER COURTS.**

34
35 **FOR THIS PURPOSE, THE SECRETARY OF**
36 **FINANCE, UPON RECOMMENDATION OF THE**

1 **SEC. 19.** Sec. 222 of the NIRC is hereby amended to read:

2
3 *SEC. 222. Exceptions as to Period of Limitation of*
4 *Assessment and Collection of Taxes. –*

5
6 (a) xxx

7
8 (b) If before the expiration of the time prescribed in
9 Section 203 for the assessment of the tax, [both the
10 Commissioner and] the taxpayer [have agreed]
11 **APPLIES WITH THE COMMISSIONER** in writing
12 to extend the period, the tax may be assessed within the
13 period [agreed upon] **SPECIFIED IN THE**
14 **APPLICATION WHICH SHALL NOT EXCEED**
15 **SIX (6) MONTHS AT ANY ONE TIME.** The
16 **FOREGOING** period [so agreed upon] may be
17 extended by subsequent written [agreement]
18 **APPLICATION** made before the expiration of the
19 period previously [agreed upon] **APPLIED FOR.**

20
21 xxx

22
23 **SEC. 20.** Sec. 237 of the NIRC is hereby amended to read:

24
25 *SEC. 237. Issuance of Receipts or Sales or Commercial*
26 *Invoices. –*

27
28 (A) *Issuance. –* xxx

29
30 Within five (5) years from the effectivity of this Act and
31 upon the establishment of a system capable of storing
32 and processing the required data, the Bureau shall
33 require taxpayers engaged in the export of goods and
34 service, taxpayers engaged in e-commerce, and
35 taxpayers under the jurisdiction of the Large Taxpayers
36 Service to issue **AND TRANSMIT** electronic receipts

1 rules and regulations to be issued by the Secretary of
2 Finance upon recommendation of the Commissioner
3 [and after a] following a public hearing [shall have been]
4 held for this purpose: *Provided*, That taxpayers not
5 covered by the mandate of this provision may issue
6 electronic receipts of sales or commercial invoices in
7 lieu of manual receipts or sales or commercial invoices.
8 **PROVIDED FURTHER, SUBJECT TO THE RULES**
9 **AND REGULATIONS TO BE ISSUED BY THE**
10 **SECRETARY OF FINANCE, THE**
11 **COMMISSIONER MAY REQUIRE ANY**
12 **TAXPAYER TO COMPLY WITH THE**
13 **PROVISIONS OF THIS SECTION.**

14
15 **A PUBLIC CERTIFICATION SYSTEM SHALL**
16 **REFER TO A DIGITAL PERSONAL**
17 **AUTHENTICATION PROGRAM WITH ABILITY**
18 **TO VERIFY THE IDENTITY OF ISSUING**
19 **TAXPAYER AND ATTEST TO THE**
20 **AUTHENTICITY OF THE INFORMATION IN**
21 **THE ELECTRONIC RECEIPTS OR SALES OR**
22 **COMMERCIAL INVOICES. THIS MAY**
23 **INCLUDE THE USE OF DIGITAL SIGNATURE**
24 **ISSUED BY CERTIFICATION AUTHORITY AS**
25 **ACCREDITED BY THE BUREAU.**

26
27 **A DESIGNATED ELECTRONIC CHANNEL**
28 **SHALL REFER TO ANY MEDIUM OR PORTAL**
29 **IDENTIFIED BY THE BUREAU WITH AN**
30 **ABILITY TO RECEIVE THE TRANSACTION**
31 **DATA OF THE ELECTRONIC RECEIPTS OF**
32 **SALES OR COMMERCIAL INVOICES FOR**
33 **ASSIGNMENT OF AN APPROVED ELECTRONIC**
34 **TAX TRANSACTION NUMBER.**

35 **AN APPROVED TAX TRANSACTION NUMBER**
36

1
2 The original of each receipt or invoice shall be issued to
3 the purchaser, customer, or client at the time the
4 transaction is effected, who, if engaged in the business or
5 in the exercise of profession, shall keep and preserve the
6 same in his place of business for a period of three (3)
7 years from the close of the taxable year in which such
8 invoice or receipt was issued, while the duplicate shall
9 be kept and preserved by the issuer, also in his place of
10 business, for a like period: *Provided*, that in case of
11 electronic receipts or sales or commercial invoices,
12 digital record of the same [shall be kept by the
13 purchaser, customer or client and the issuer for the same
14 period above stated] **BEARING THE APPROVED**
15 **ELECTRONIC TAX TRANSACTION NUMBER**
16 **SHALL BE SUFFICIENT COMPLIANCE.**

17
18 XXX

19
20 **SEC. 21.** Sec. 237-A of the NIRC is hereby amended to read:

21
22 *SEC. 237-A. Electronic Sales Reporting System. –*
23 *Within five (5) years from the effectivity of this Act and*
24 *upon the establishment of a system capable of storing*
25 *and processing the required data, the Bureau shall*
26 *require taxpayers engaged in the export of goods and*
27 *services, taxpayers engaged in e-commerce, and*
28 *taxpayers under the jurisdiction of the Large Taxpayers*
29 *Service to* **USE A SYSTEM CAPABLE OF ISSUING**
30 **ELECTRONIC RECEIPTS OR SALES OR**
31 **COMMERCIAL INVOICES, COLLECT**
32 **TRANSACTION RECORDS, AND TRANSMIT**
33 **THE SAME THRU THE DESIGNATED**
34 **ELECTRONIC CHANNELS OF THE BUREAU IN**
35 **THE STANDARD FORMAT REQUIRED**
36 *[electronically report their sales data to the Bureau of*

1 NETWORK (VAN) TERMINALS, fiscal devices, and
2 fiscal memory devices WITH CAPACITY TO MAKE
3 SUCH TRANSMISSION shall be at the expense of the
4 taxpayers[.]: *PROVIDED FURTHER*, THAT THE
5 COMMISSIONER MAY REQUIRE ANY
6 TAXPAYER TO COMPLY WITH THE
7 PROVISIONS OF THIS SECTION SUBJECT TO
8 THE RULES AND REGULATIONS TO BE ISSUED
9 BY THE SECRETARY OF FINANCE.

10
11 IN YEAR ONE TO YEAR FOUR OF THE
12 IMPLEMENTATION PERIOD, A TAXPAYER
13 WHO ADOPTS THE REQUIRED SYSTEM SHALL
14 BE GRANTED A TAX CREDIT OF ONE-TENTH
15 PERCENT (0.1%) OF THE PURCHASE VALUE,
16 NET OF VALUE ADDED TAX, FOR EVERY
17 ELECTRONIC RECEIPT OR SALE OR
18 COMMERCIAL INVOICE TRANSMITTED THRU
19 THE DESIGNATED ELECTRONIC CHANNELS
20 OF THE BUREAU AND ISSUED AN
21 ELECTRONIC TAX TRANSACTION NUMBER.

22
23 IN SUPPORT OF THE ELECTRONIC SALES
24 REPORTING SYSTEM, THE BUREAU MAY
25 GRANT TAX INCENTIVES FOR
26 ELECTRONICALLY TRACEABLE PAYMENTS
27 (ETP) IN THE FORM OF ALLOWABLE
28 DEDUCTIBLE EXPENSE OF UP TO TEN
29 PERCENT (10%) OF THE ETP MADE BY THE
30 TAXPAYER. AN ANNUAL LIMIT ON THE
31 ALLOWED ETP DEDUCTIBLE EXPENSE PER
32 TAXPAYER MAYBE SET BY THE
33 COMMISSIONER WITH THE APPROVAL OF
34 THE SECRETARY OF FINANCE.

35 ELECTRONICALLY TRACEABLE PAYMENTS
36

1 THE BUREAU MAY LIKEWISE ESTABLISH A
2 RECEIPT AND INVOICE LOTTERY PROGRAM
3 FOR ELECTRONIC RECEIPTS OR SALES OR
4 COMMERCIAL INVOICES TRANSMITTED
5 THRU THE DESIGNATED ELECTRONIC
6 CHANNELS OF THE BUREAU AND ISSUED AN
7 ELECTRONIC TAX TRANSACTION NUMBER.
8

9 XXX
10

11
12 SEC. 22. Section 250 of the NIRC is hereby amended to read:
13

14 SEC. 250. *Failure to File Certain Information*
15 *Returns.* – In the case of each failure to file an
16 information return, statement or list, or keep any record,
17 or supply any information required by this Code or by
18 the Commissioner on the date prescribed therefor,
19 unless it is shown that such failure is due to reasonable
20 cause and not to willful neglect, there shall, upon notice
21 and demand by the Commissioner, be paid by the
22 person failing to file, keep or supply the same, [One
23 thousand pesos (1,000)] **FIVE THOUSAND PESOS**
24 **(P5,000)** for each failure: Provided, however, That the
25 aggregate amount to be imposed for all such failures
26 during a calendar year shall not exceed [Twenty-five
27 thousand pesos (P25,000)] **TWO HUNDRED FIFTY**
28 **THOUSAND PESOS (P250,000).**

29
30 SEC. 23. Section 255 of the NIRC is hereby amended to read:
31

32 SEC. 255. *Failure to File Return, Supply Correct and*
33 *Accurate Information, Pay Tax Withhold and Remit Tax*
34 *and Refund Excess Taxes Withheld on Compensation.* –
Any person required under this Code or by rules and

1 accurate information, or withhold or remit taxes
2 withheld, or refund excess taxes withheld on
3 compensation, at the time or times required by law or
4 rules and regulations shall, in addition to other penalties
5 provided by law, upon conviction thereof, be punished
6 [by] **WITH** a fine of not less than [Ten thousand pesos
7 (P10,000)] **ONE HUNDRED THOUSAND PESOS**
8 **(P100,000)** and [suffer] imprisonment of not less than
9 one (1) year but not more than ten (10) years.

10
11 Any person who attempts to make it appear for any
12 reason that he or another has in fact filed a return or
13 statement, or actually files a return or statement and
14 subsequently withdraws the same return or statement
15 after securing the official receiving seal or stamp of
16 receipt of internal revenue office wherein the same was
17 actually filed shall, upon conviction therefore, be
18 punished [by] **WITH** a fine of not less than [Ten
19 thousand pesos (P10,000)] **ONE HUNDRED**
20 **THOUSAND PESOS (P100,000)** but not more than
21 [Twenty thousand pesos (P20,000)] **TWO HUNDRED**
22 **THOUSAND PESOS (P200,000)** and [suffer]
23 imprisonment of not less than one (1) year but not more
24 than three (3) years.

25
26
27 **SEC. 24.** Section 256 of the NIRC is hereby amended to read:

28
29 *SEC. 256. Penal Liability of Corporations.* – Any
30 corporation, association or general co-partnership liable
31 for any of the acts or omissions penalized under this
32 Code, in addition to the penalties imposed herein upon
33 the responsible corporate officers, partners, or employees
34 shall, upon conviction for each act or omission, be
35 punished [by] **WITH** a fine of not less than [Fifty
36 thousand pesos (P50,000)] **ONE HUNDRED**

1 **SEC. 25.** Section 257 of the NIRC is hereby amended to read:

2
3 *SEC. 257. Penal Liability for Making False Entries,*
4 *Records or Reports, or Using Falsified or Fake*
5 *Accountable Forms. –*

6
7 (A) xxx

8
9 (B) Any person who:

10
11 xxx

12
13 (8) Willfully attempts in any manner to evade or defeat
14 any tax imposed under this Code, or knowingly uses fake
15 or falsified revenue official receipts, Letters of
16 Authority, certificates authorizing registration, Tax
17 Credit Certificates, Tax Debit Memoranda and other
18 accountable forms shall, upon conviction for each act or
19 omission, be punished [by] **WITH** a fine not less than
20 [Fifty thousand pesos (P50,000)] **ONE HUNDRED**
21 **THOUSAND PESOS (P100,000)** but not more than
22 [One hundred thousand pesos (P100,000)] **THREE**
23 **HUNDRED THOUSAND PESOS (P300,000)** and
24 [suffer] imprisonment of not less than [two (2) years]
25 **SIX (6) YEARS** but not more than [six (6) years]
26 **TWELVE (12) YEARS.**

27
28 xxx

29
30 **SEC. 26.** Section 258 of the NIRC is hereby amended to read:

31
32 *SEC. 258. Unlawful Pursuit of Business. –* Any person
33 who carries on any business for which an annual
34 registration fee is imposed without paying the tax as
35 required by law shall, upon conviction for each act or
36 omission, be punished [by] **WITH** a fine of not less than

1 *Provided*, That in the case of a person engaged in the
2 business of distilling, rectifying, repacking,
3 compounding or manufacturing any article subject to
4 excise tax, he shall, upon conviction for each act or
5 omission, be punished [by] **WITH** a fine of not less than
6 [Thirty thousand pesos (P30,000)] **THREE HUNDRED**
7 **THOUSAND PESOS (P300,000)** but not more than
8 [Fifty thousand pesos (P50,000)] **FIVE HUNDRED**
9 **THOUSAND PESOS (P500,000)** and [suffer]
10 imprisonment of not less than two (2) years but not more
11 than four (4) years.

12
13 **SEC. 27.** Section 260 of the NIRC is hereby amended to read:

14
15 SEC. 260. *Unlawful Possession of Cigarette Paper in*
16 *Bobbins or Rolls, Etc.* – It shall be unlawful for any
17 person to have in his possession cigarette paper in
18 bobbins or rolls, cigarette tipping paper or cigarette filter
19 tips, without the corresponding authority therefor issued
20 by the Commissioner. Any person, importer,
21 manufacturer of cigar and cigarettes, who has been
22 found guilty under this Section, shall, upon conviction
23 for each act or omission, be punished [by] **WITH** a fine
24 of not less than [Twenty thousand pesos (P20,000)]
25 **ONE HUNDRED THOUSAND PESOS (P100,000)**
26 but not more than [One hundred thousand pesos

27 (P100,000)] **FIVE HUNDRED THOUSAND PESOS**
28 **(P500,000)** and [suffer] imprisonment for a term of not
29 less than six (6) years and one (1) day but not more than
30 twelve (12) years.

31
32 **SEC. 28.** Section 261 of the NIRC is hereby amended to read:

33
34 SEC. 261. *Unlawful Use of Denatured Alcohol.* – Any
35 person who for the purpose of manufacturing any
36 beverage, uses denatured alcohol or alcohol specially

1 such alcohol for the manufacture of liquid medicinal
2 preparations taken internally, or knowingly sells or
3 offers for sale such preparations containing as an
4 ingredient such alcohol, shall upon conviction for each
5 act or omission be punished [by] **WITH** a fine of not
6 less than [Twenty thousand pesos (P20,000)] **ONE**
7 **HUNDRED THOUSAND PESOS (P100,000)** but not
8 more than [One hundred thousand pesos (P100,000)]
9 **FIVE HUNDRED THOUSAND PESOS (P500,000)**
10 and [suffer] imprisonment for a term of not less than six
11 (6) years and one (1) day but not more than twelve (12)
12 years.

13
14
15 **SEC. 29.** Section 262 of the NIRC is hereby amended to read:

16
17 *SEC. 262. Shipment or Removal of Liquor or Tobacco*
18 *Products under False Name or Brand or as an Imitation*
19 *of any Existing or Otherwise Known Product Name or*
20 *Brand. —Any person who ships, transports or removes*
21 *spirituous, compounded or fermented liquors, wines or*
22 *any manufactured products of tobacco under any other*
23 *than the proper name or brand known to the trade as*
24 *designating the kind and quality of the contents of the*
25 *cask, bottle or package containing the same or as an*
26 *imitation of any existing or otherwise known product*
27 *name or brand or causes such act to be done, shall, upon*
28 *conviction for each act or omission, be punished [by]*
29 ***WITH** a fine of not less than [Twenty thousand pesos*
30 *(P20,000)] **TWO HUNDRED THOUSAND PESOS***
31 ***(P200,000)** but not more than [One hundred thousand*
32 *pesos (P100,000)] **FIVE HUNDRED THOUSAND***
33 ***PESOS (P500,000)** and [suffer] imprisonment of not*
34 *less than six (6) years and one (1) day but not more than*
35 *twelve (12) years.*
36

1 **SEC. 30.** Section 263 of the NIRC is hereby amended to read:

2
3 *SEC. 263. Unlawful Possession or Removal of Articles*
4 *Subject to Excise Tax without Payment of the Tax. – xxx*

5
6 (a) A fine of not less than [One thousand pesos (P1,000)]
7 **TWENTY FIVE THOUSAND PESOS (P25,000)** nor
8 more than [Two thousand pesos (P2,000)] **SEVENTY**
9 **FIVE THOUSAND PESOS (P75,000)** [and] **OR**
10 [suffer] imprisonment of not less than [sixty (60) days]
11 **THIRTY (30) DAYS AND ONE (1) DAY** but not more
12 than [one hundred (100) days] **SIX (6) MONTHS, OR**
13 **BOTH**, if the appraised value, to be determined in the
14 manner prescribed in the [Tariff and Customs Code]
15 **CUSTOMS MODERNIZATION AND TARIFF**
16 **ACT**, including duties and taxes, of the articles does not
17 exceed [One thousand pesos (P1,000)] **TWO**
18 **HUNDRED FIFTY THOUSAND PESOS (P250,000);**

19
20 (b) A fine of not less than [Ten thousand pesos

21 (P10,000)] **SEVENTY FIVE THOUSAND PESOS**

22 **(P75,000)** but not more than [Twenty thousand pesos

23 (P20,000)] **ONE HUNDRED FIFTY THOUSAND**

24 **PESOS (P150,000)** [and] **OR** [suffer] imprisonment of

25 not less than [two (2) years] **SIX (6) MONTHS AND**

26 **ONE (1) DAY** but not more than [four (4) years] **ONE**

27 **(1) YEAR, OR BOTH**, if the appraised value, to be

28 determined in the manner prescribed in the [Tariff and

29 Customs Code] **CUSTOMS MODERNIZATION AND**

30 **TARIFF ACT**, including duties and taxes, of the articles

31 exceeds [One thousand pesos (P1,000)] **TWO**

32 **HUNDRED FIFTY THOUSAND PESOS (P250,000)**

33 but does not exceed [Fifty thousand pesos (P50,000)]

34 **FIVE HUNDRED THOUSAND PESOS (P500,000);**

35
36 (c) A fine of not less than [Thirty thousand pesos

1 **ONE (1) DAY** but not more than [six (6) years] **THREE**
2 **(3) YEARS**, if the appraised value, to be determined in
3 the manner prescribed in the [Tariff and Customs Code]
4 **CUSTOMS MODERNIZATION AND TARIFF**
5 **ACT**, including duties and taxes of the articles is more
6 than [Fifty thousand pesos (P50,000)] **FIVE**
7 **HUNDRED THOUSAND PESOS (P500,000)** but does
8 not exceed [One hundred fifty thousand pesos
9 (P150,000)] **ONE MILLION PESOS (P1,000,000)**; or

10
11 (d) A fine of not less than [Fifty thousand pesos
12 (P50,000)] **THREE HUNDRED THOUSAND PESOS**
13 **(P300,000)** but not more than [One hundred thousand
14 pesos (P100, 000)] **ONE MILLION FIVE HUNDRED**
15 **THOUSAND PESOS (P1,500,000)** [and] **OR** [suffer]
16 imprisonment of not less than [ten (10) years] **THREE**
17 **(3) YEARS AND ONE (1) DAY** but not more than
18 [twelve (12) years] **SIX (6) YEARS**, if the appraised
19 value, to be determined in the manner prescribed in the
20 [Tariff and Customs Code] **CUSTOMS**
21 **MODERNIZATION AND TARIFF ACT**, including
22 duties and taxes, of the articles exceeds [One hundred
23 fifty thousand pesos (P150,000)] **ONE MILLION**
24 **PESOS (P1,000,000)**.

25
26 Any person who is found in possession of locally
27 manufactured articles subject to excise tax, the tax on
28 which has not been paid in accordance with law, or any
29 person who is found in possession of such articles which
30 are exempt from excise tax other than those to whom the
31 same is lawfully issued shall be punished with a fine of
32 not less than (10) times the amount of excise tax due on
33 the articles found but not less than [Five hundred pesos
34 (P500)] **TWENTY FIVE THOUSAND PESOS**
35 **(P25,000)** and [suffer] imprisonment of not less than two
36 (2) years but not more than four (4) years.

1 which the excise tax has not been paid at the time and in
2 the manner required, and any person who knowingly
3 aids or abets in the removal of such articles as aforesaid,
4 or conceals the same after illegal removal shall, for the
5 first offense, be punished with a fine of not less than ten
6 (10) times the amount of excise tax due on the articles
7 but not less than [One thousand pesos (P1,000)]
8 **TWENTY FIVE THOUSAND (P25,000)** and [suffer]
9 imprisonment of not less than [one (1) year] **TWO (2)**
10 **YEARS** but not more than [two (2) years] **FOUR (4)**
11 **YEARS.**

12
13 XXX

14
15
16 **SEC. 31.** Section 264 of the NIRC is hereby amended to read:

17
18 *Sec. 264. Failure or refusal to Issue Receipts or Sales or*
19 *Commercial Invoices, Violations related to the Printing*
20 *of such Receipts or Invoices and Other Violations. –*

21
22 (a) Any person who, being required under Section 237 to
23 issue receipts or sales or commercial invoices, fails or
24 refuses to issue such receipts or invoices, issues receipts
25 or invoices that do not truly reflect and/or contain all the
26 information required to be shown therein, or uses
27 multiple or double receipts or invoices, shall, upon
28 conviction for each act or omission, be punished [by]
29 **WITH** a fine of not less than [One thousand pesos
30 (P1,000)] **FIVE THOUSAND PESOS (P5,000)** but not
31 more than [Fifty thousand pesos (P50,000)] **TWO**
32 **HUNDRED FIFTY THOUSAND PESOS (P250,000)**
33 and [suffer] imprisonment of not less than [two (2)
34 years] **FOUR (4) YEARS** but not more than [four (4)
35 years] **EIGHT (8) YEARS.**
36

1 **SEC. 32.** Section 265 of the NIRC is hereby amended to read:

2
3 *SEC. 265. Offenses Relating to Stamps.* – Any person
4 who commits any of the acts enumerated hereunder
5 shall, upon conviction thereof, be punished [by] **WITH** a
6 fine of not less than [Twenty thousand pesos (P20,000)]
7 **TWO HUNDRED THOUSAND PESOS (P200,000)**
8 but not more than [Fifty thousand pesos (P50,000)]
9 **FIVE HUNDRED THOUSAND PESOS (P500,000)**
10 and [suffer] imprisonment of not less than four (4) years
11 but not more than eight (8) years: xxx

12
13 **SEC. 33.** Section 266 of the NIRC is hereby amended to read:

14
15 *Sec. 266. Failure to Obey Summons.* – Any person who,
16 being duly summoned to appear to testify, or to appear
17 **UNDER SECTION 5-A OF THIS CODE,** [and
18 produce books of accounts, records, memoranda or other
19 papers,] or to furnish information as required under the
20 pertinent provisions of this Code, neglects to appear or to
21 produce such books of accounts, records, memoranda or
22 other papers, or to furnish such information, shall, upon
23 conviction, be punished [by] **WITH** a fine of not less
24 than [Five thousand pesos (P5,000)] **FIFTY**
25 **THOUSAND PESOS (P50,000)** but not more than [ten
26 thousand pesos (P10,000)] **ONE HUNDRED**
27 **THOUSAND PESOS (P100,000)** and [suffer]
28 imprisonment of not less than [one (1) year] **TWO (2)**
29 **YEARS** but not more than [two (2) years] **FOUR (4)**
30 **YEARS.**

31
32 **SEC. 34.** Section 275 of the NIRC is hereby amended to read:

33
34 *SEC. 275. Violation of Other Provisions of this Code or*
35 *Rules and Regulations in General.* – Any person who
36 violates any provision of this Code or any rule or

1 [suffer] imprisonment of not more than [six (6) months]
2 **TWO (2) YEARS**, or both.

3
4
5 **SEC. 35.** A new Title on Tax Incentives is hereby inserted in the
6 NIRC as Title XII to read:

7
8 **TITLE XII**

9
10 **TAX INCENTIVES**

11
12 **CHAPTER I**

13 **GENERAL PROVISIONS ON TAX INCENTIVES**

14
15 **SEC 290. *GENERAL PROVISION.*** – ALL EXPORT
16 **ACTIVITIES AND STRATEGIC INVESTMENTS,**
17 **INCLUDING THOSE INTENDED FOR THE**
18 **DOMESTIC MARKET, UNDER THE STRATEGIC**
19 **INVESTMENTS PRIORITY PLAN (SIPP) AS**
20 **DEFINED UNDER CHAPTER II OF THIS TITLE,**
21 **WHETHER LOCATED INSIDE OR OUTSIDE**
22 **ECOZONES AND FREEPORT, ELIGIBLE FOR**
23 **REGISTRATION IN THE RESPECTIVE IPAS**
24 **EFFECTIVE JANUARY 1, 2019, AND WHICH**
25 **WILL QUALIFY FOR INCENTIVES UPON**
26 **EVALUATION AND REVIEW BY THE FISCAL**
27 **INCENTIVES REVIEW BOARD (FIRB), MAY**
28 **ONLY BE GRANTED INCOME TAX AND**
29 **CUSTOMS DUTY INCENTIVES UNDER THIS**
30 **TITLE, AND IN NO SUCH CASE SHALL THE**
31 **VALUE-ADDED TAX AND LOCAL TAXES BE**
32 **USED AS INVESTMENT TAX INCENTIVES;**
33 ***PROVIDED,* THAT THE TAX INCENTIVES**
34 **AVAILABLE UNDER THIS TITLE TO THE**
35 **AFOREMENTIONED ENTERPRISES SHALL BE**
36 **APPLICABLE TO THE REGISTERED ACTIVITY**

1 SHALL BE RECKONED FROM THE START OF
2 COMMERCIAL OPERATION.

3
4 **SEC. 291. SCOPE AND COVERAGE.** – THIS TITLE
5 SHALL COVER ALL EXISTING IPAS AND ALL
6 OTHER IPAS AND OTHER SIMILAR
7 AUTHORITIES THAT MAY BE CREATED BY
8 LAW. THESE IPAS INCLUDE THE BOARD OF
9 INVESTMENTS (BOI), PHILIPPINE ECONOMIC
10 ZONE AUTHORITY (PEZA), BASES
11 CONVERSION AND DEVELOPMENT
12 AUTHORITY (BCDA), SUBIC BAY
13 METROPOLITAN AUTHORITY (SBMA), CLARK
14 DEVELOPMENT CORPORATION (CDC), JOHN
15 HAY MANAGEMENT CORPORATION (JHMC),
16 PORO POINT MANAGEMENT CORPORATION
17 (PPMC), CAGAYAN ECONOMIC ZONE
18 AUTHORITY (CEZA), ZAMBOANGA CITY
19 SPECIAL ECONOMIC ZONE AUTHORITY
20 (ZCSEZA), PHIVIDEC INDUSTRIAL
21 AUTHORITY (PIA), AURORA PACIFIC
22 ECONOMIC ZONE AND FREEPORT
23 AUTHORITY (APECO), AUTHORITY OF THE
24 FREEPORT AREA OF BATAAN (AFAB),
25 TOURISM INFRASTRUCTURE AND
26 ENTERPRISE ZONE AUTHORITY (TIEZA), AND
27 ALL OTHER SIMILAR AUTHORITIES THAT
28 MAY BE CREATED BY LAW IN THE FUTURE.

29
30 **SEC. 291-A. GOVERNING PROVISION FOR IPAS.**
31 – ALL EXISTING AND FUTURE IPAS SHALL
32 UNIFORMLY RECOMMEND THE GRANT OF
33 TAX INCENTIVES PROVIDED IN THIS TITLE
34 TO THE FIRB FOR ITS APPROVAL.

35
36 **SEC. 291-B. EXISTING CHARTERS OF IPAS.** –

1 THOSE PERTAINING TO THE REVIEW AND
2 GRANT OF TAX INCENTIVES.

3 4 CHAPTER II

5 6 TAX AND DUTY INCENTIVES

7
8
9 SEC. 292. - THE FOLLOWING TAX AND
10 CUSTOMS DUTY INCENTIVES MAY BE
11 GRANTED TO QUALIFIED REGISTERED
12 ENTERPRISES, AS DETERMINED BY THE
13 BOARD OF THE RESPECTIVE IPAS, SUBJECT
14 TO THE REVIEW AND APPROVAL OF THE
15 FIRB:

16 17 (A) INCOME TAX INCENTIVES

18
19 (a) *INCOME TAX HOLIDAY (ITH)*. - THE ITH
20 SHALL BE GRANTED FOR A PERIOD NOT
21 EXCEEDING THREE (3) YEARS. *PROVIDED*,
22 THAT AFTER THE EXPIRATION OF THE ITH,
23 THE FOLLOWING INCENTIVES MAY BE
24 APPLIED FOR A PERIOD NOT EXCEEDING
25 FIVE (5) YEARS, WHICH INCLUDES THE
26 PERIOD OF ITH AVAILMENT.

27
28 (b) *REDUCED CORPORATE INCOME TAX*. - A
29 REDUCED TAX RATE OF FIFTEEN PERCENT
30 (15%) OF THE TAXABLE INCOME AS DEFINED
31 UNDER SECTION 31 OF THIS CODE.

32
33 (c) *TAX ALLOWANCE FOR INVESTMENTS*. - AN
34 ALLOWANCE OF UP TO FIFTY PERCENT (50%)
35 OF THE ACTUAL QUALIFIED CAPITAL
36 EXPENDITURE INCURRED WITHIN THREE (3)

1 RESEARCH AND DEVELOPMENT RELATED TO
2 THE REGISTERED ACTIVITY, IDENTIFIED
3 AND APPROVED AS SUCH BY THE
4 APPROPRIATE GOVERNMENT AGENCY/IES
5 SHALL BE DEDUCTIBLE FROM THE GROSS
6 INCOME FOR INCOME TAX PURPOSES TO THE
7 EXTENT OF TWO HUNDRED PERCENT (200%)
8 ON THE YEAR THE SAID RESEARCH AND
9 DEVELOPMENT EXPENSES WERE INCURRED.

10
11 (e) *DOUBLE DEDUCTION FOR TRAINING.* -
12 EXPENSES INCURRED FOR TRAINING GIVEN
13 TO EMPLOYEES BY THE REGISTERED
14 ENTERPRISE FOR THE DEVELOPMENT OF
15 SKILLS, IDENTIFIED AND APPROVED AS
16 NECESSARY BY THE APPROPRIATE
17 GOVERNMENT AGENCY/IES SHALL BE
18 DEDUCTIBLE FROM THE GROSS INCOME FOR
19 INCOME TAX PURPOSES TO THE EXTENT OF
20 TWO HUNDRED PERCENT (200%) ON THE
21 YEAR THE SAID TRAINING EXPENSE WAS
22 INCURRED.

23
24 (f) *ADDITIONAL DEDUCTION FOR LABOR*
25 *EXPENSE.* - A REGISTERED ENTERPRISE MAY
26 BE ALLOWED AN ADDITIONAL DEDUCTION
27 FROM TAXABLE INCOME OF FIFTY PERCENT
28 (50%) OF THE WAGES CORRESPONDING TO
29 THE INCREMENT IN THE NUMBER OF DIRECT
30 LABOR.

31
32 (g) *ONE HUNDRED PERCENT (100%)*
33 *DEDUCTION ON INFRASTRUCTURE*
34 *DEVELOPMENT.* - REGISTERED ENTERPRISES
35 ESTABLISHING THEIR ACTIVITY IN AN AREA
36 THAT THE STRATEGIC INVESTMENTS

1 IRRIGATION, DRAINAGE, OR OTHER SIMILAR
2 WATERWORKS INFRASTRUCTURE MAY
3 DEDUCT FROM THE GROSS INCOME AN
4 AMOUNT EQUIVALENT TO ONE HUNDRED
5 PERCENT (100%) OF NECESSARY AND MAJOR
6 INFRASTRUCTURE WORKS IT MAY HAVE
7 UNDERTAKEN WITH THE PRIOR APPROVAL
8 AND RECOMMENDATION OF THE IPA
9 CONCERNED; *PROVIDED*, THAT THE TITLE TO
10 ALL SUCH INFRASTRUCTURE WORKS SHALL
11 UPON COMPLETION, BE TRANSFERRED TO
12 THE PHILIPPINE GOVERNMENT; *PROVIDED*
13 *FURTHER*, THAT ANY AMOUNT NOT
14 DEDUCTED FOR A PARTICULAR YEAR MAY
15 BE CARRIED OVER FOR DEDUCTION FOR
16 SUBSEQUENT YEARS NOT EXCEEDING FIVE
17 (5) YEARS FROM COMMERCIAL OPERATION.

18
19 (h) *DEDUCTION FOR REINVESTMENT*
20 *ALLOWANCE TO MANUFACTURING INDUSTRY.*
21 – WHEN A MANUFACTURING REGISTERED
22 ENTERPRISE REINVESTS ITS UNDISTRIBUTED
23 PROFIT OR SURPLUS IN ANY OF THE
24 ACTIVITIES LISTED IN THE SIPP, THE
25 AMOUNT SO REINVESTED SHALL BE
26 ALLOWED AS A DEDUCTION FROM ITS
27 TAXABLE INCOME WITHIN A PERIOD OF FIVE
28 (5) YEARS FROM THE TIME OF SUCH
29 REINVESTMENT: *PROVIDED*, THAT PRIOR
30 APPROVAL AND RECOMMENDATION BY THE
31 IPA CONCERNED OF SUCH REINVESTMENT
32 WAS OBTAINED BY THE REGISTERED
33 ENTERPRISE PLANNING SUCH
34 REINVESTMENT.

35
36 *PROVIDED*, THAT IN LIEU OF THE ITH UNDER

1 EXTENDED BEYOND THE INITIAL GRANT OF
2 FIVE (5) YEARS.

3
4 *PROVIDED FURTHER*, THAT SUPERIOR NON-
5 FISCAL INCENTIVES, AS MAY BE DEFINED IN
6 THE SIPP, MAY BE GRANTED IN LEAST
7 DEVELOPED AREAS OR AREAS RECOVERING
8 FROM ARMED CONFLICT OR A MAJOR
9 DISASTER.

10
11 *PROVIDED FINALLY*, THAT REGISTERED
12 ACTIVITIES PRIOR TO THE EFFECTIVITY OF
13 THIS ACT RELOCATING FROM METRO
14 MANILA AND SELECTED AREAS OF REGIONS
15 III AND IV-A TO OTHER AREAS OF THE
16 COUNTRY MAY BE ALLOWED A ONE-YEAR
17 INCOME TAX INCENTIVE AS RELOCATION
18 INCENTIVE.

19
20 (B) CUSTOMS DUTY INCENTIVES

21
22 REGISTERED ENTERPRISES QUALIFIED FOR
23 INCENTIVES MAY BE ALLOWED A MAXIMUM
24 OF FIVE (5) YEARS EXEMPTION ON CUSTOMS
25 DUTY ON IMPORTED CAPITAL EQUIPMENT,
26 MACHINERY, AND SPARE PARTS
27 EXCLUSIVELY USED FOR CAPITAL
28 EQUIPMENT AND MACHINERY, ALL
29 INCLUDING CONSIGNMENT THEREOF, RAW
30 MATERIALS USED IN THE MANUFACTURE,
31 PROCESSING, AS DEFINED HEREIN, OF
32 PRODUCTS, AND IMPORTATION OF SOURCE
33 DOCUMENTS BY THE REGISTERED
34 ENTERPRISE. *PROVIDED*, THAT THE DUTY-
35 FREE IMPORTATION SHALL BE USED
36 EXCLUSIVELY FOR THE REGISTERED

1
2 (i) THE ACTIVITY IS STILL COVERED BY
3 THE STRATEGIC INVESTMENTS PRIORITY
4 PLAN (SIPP);

5
6 (ii) CUSTOMS DUTY EXEMPTION WILL ONLY
7 APPLY ON THE INCREMENTAL PORTION OF
8 THE ACTIVITY; AND

9
10 (iii) THE CUSTOMS DUTY EXEMPTION
11 EXTENSION SHALL NOT EXCEED FIVE (5)
12 YEARS.

13
14 FOR THIS PURPOSE, 'PROCESSING' SHALL
15 REFER TO CONVERTING RAW MATERIALS
16 INTO MARKETABLE FORM THROUGH
17 PHYSICAL, MECHANICAL, CHEMICAL,
18 ELECTRICAL, BIOCHEMICAL, BIOLOGICAL,
19 OR OTHER MEANS, OR BY A SPECIAL
20 TREATMENT OR A SERIES OF ACTIONS, SUCH
21 AS SLAUGHTERING, MILLING,
22 PASTEURIZING, DRYING OR DESICCATING,
23 OR QUICK FREEZING, THAT RESULTS IN A
24 CHANGE IN THE NATURE OR STATE OF THE
25 PRODUCTS. MERE PACKING OR PACKAGING
26 SHALL NOT CONSTITUTE PROCESSING.

27
28 'SOURCE DOCUMENTS' REFER TO INPUT
29 MATERIALS AND DOCUMENTS REASONABLY
30 NEEDED BY I.T. AND I.T.-ENABLED
31 INDUSTRIES SUCH AS, BUT NOT LIMITED TO,
32 BOOKS, DIRECTORIES, MAGAZINES,
33 NEWSPAPERS, BROCHURES, PAMPHLETS,
34 MEDICAL RECORDS/FILES, LEGAL
35 RECORDS/FILES, INSTRUCTION MATERIALS,
AND DRAWINGS/BLUEPRINTS/OUTLINES

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CHAPTER III
ADMINISTRATION OF TAX INCENTIVES

SEC. 293. *EXPANDED FUNCTIONS OF THE FISCAL INCENTIVES REVIEW BOARD.* - THE INCENTIVES PROVIDED IN SECTION 290 MAY BE GRANTED BY THE FISCAL INCENTIVES REVIEW BOARD (FIRB) TO THE REGISTERED ENTERPRISE TO THE EXTENT OF THEIR REGISTERED ACTIVITY UPON RECOMMENDATION OF THE ADMINISTERING IPA. THE PERIOD OF AVAILMENT OF INCENTIVES SHALL BE RECKONED FROM THE START OF COMMERCIAL OPERATION. IN THIS REGARD, THE FIRB CREATED UNDER PRESIDENTIAL DECREE (PD) NO. 776, AS AMENDED BY PD 1931 AND PD 1955, OFFICE OF THE PRESIDENT MEMORANDUM ORDER NO. 23, SERIES OF 1986 AND EXECUTIVE ORDER 93, SERIES OF 1986, SHALL BE EXPANDED TO INCLUDE THE FOLLOWING FUNCTIONS AND POWERS:

(A) TO SERVE AS THE OVERALL ADMINISTRATOR OF ALL INVESTMENT INCENTIVES;

(B) TO REVIEW ALL IPA POLICY DECISIONS RELATED TO THE ENDORSEMENT AND AVAILMENT OF TAX INCENTIVES;

(C) TO REVIEW AND APPROVE THE GRANT OF INVESTMENT TAX INCENTIVES AS

1 BENEFICIARIES OF TAX INCENTIVES WITH
2 APPROVED ESTIMATED AMOUNT OF THE
3 CORRESPONDING INCENTIVES; AND

4
5 (E) TO GRANT TAX SUBSIDIES TO
6 GOVERNMENT-OWNED AND/OR-
7 CONTROLLED CORPORATIONS (GOCCS),
8 GOVERNMENT INSTRUMENTALITIES (GIS),
9 GOVERNMENT COMMISSARIES, AND STATE
10 UNIVERSITIES AND COLLEGES (SUCS) AS
11 MAY BE PROVIDED UNDER THE ANNUAL
12 GENERAL APPROPRIATIONS ACT:

13
14 *PROVIDED*, THAT THE SECRETARY OF
15 FINANCE SHALL AUTOMATICALLY BE THE
16 CO-CHAIR, AND THE DIRECTOR-GENERAL OF
17 NATIONAL ECONOMIC AND DEVELOPMENT
18 AUTHORITY (NEDA) AND THE SECRETARY OF
19 DEPARTMENT OF TRADE AND INDUSTRY
20 (DTI) SHALL AUTOMATICALLY BE MEMBERS,
21 OF ALL THE EXISTING AND FUTURE IPAS:
22 *PROVIDED FURTHER*, THAT AS CHAIR AND
23 APPROVING HEAD OF THE FIRB AND
24 CUSTODIAN OF FISCAL PRUDENCE AND
25 RESPONSIBILITY, THE SECRETARY OF
26 FINANCE MAY CANCEL OR SUSPEND THE
27 GRANT OF INCENTIVES UPON THE REVIEW
28 AND RECOMMENDATION OF THE FIRB:
29 *PROVIDED FINALLY*, THAT THE
30 COMPOSITION OF THE GOVERNING BOARDS
31 OF THE EXISTING IPAS UNDER THEIR
32 RESPECTIVE GOVERNING LAWS
33 ENUMERATED HEREUNDER SHALL BE
34 AMENDED FOR THIS PURPOSE, AS FOLLOWS:
35

1 (2) BASES AND CONVERSION AND
2 DEVELOPMENT AUTHORITY (BCDA) AND
3 SUBIC BAY METROPOLITAN AUTHORITY
4 (SBMA), UNDER SECTIONS 9 AND 13 (C) OF
5 REPUBLIC ACT NO. 7227, OR "AN ACT
6 ACCELERATING THE CONVERSION OF
7 MILITARY RESERVATIONS INTO OTHER
8 PRODUCTIVE USES, CREATING THE BASES
9 CONVERSION AND DEVELOPMENT
10 AUTHORITY FOR THIS PURPOSE, PROVIDING
11 FUNDS THEREFOR AND FOR OTHER
12 PURPOSES";

13
14 (3) CLARK DEVELOPMENT CORPORATION
15 (CDC), UNDER SECTION 3 OF E.O. 80, S. OF 1993,
16 ENTITLED "AUTHORIZING THE
17 ESTABLISHMENT OF THE CLARK
18 DEVELOPMENT CORPORATION AS THE
19 IMPLEMENTING ARM OF THE BASES
20 CONVERSION AND DEVELOPMENT
21 AUTHORITY FOR THE CLARK SPECIAL
22 ECONOMIC ZONE, AND DIRECTING ALL
23 HEADS OF DEPARTMENTS, BUREAUS,
24 OFFICES, AGENCIES AND
25 INSTRUMENTALITIES OF GOVERNMENT TO
26 SUPPORT THE PROGRAM";

27
28 (4) PORO POINT MANAGEMENT
29 CORPORATION (PPMC), UNDER SECTION 6 OF
30 E.O. 132, S. OF 2002 ENTITLED, ENTITLED,
31 "AUTHORIZING THE CREATION OF THE
32 PORO POINT MANAGEMENT CORPORATION
33 AS THE IMPLEMENTING ARM OF THE BASES
34 CONVERSION DEVELOPMENT AUTHORITY
35 OVER THE PORO POINT SPECIAL ECONOMIC
36 AND FREEPORT ZONE AND RENAMING THE

1 (5) ZAMBOANGA CITY SPECIAL ECONOMIC
2 ZONE (ZCSEZA), UNDER SECTION 9 OF R.A.
3 7903, OR "AN ACT CREATING SPECIAL
4 ECONOMIC ZONE AND FREE PORT IN THE
5 CITY OF ZAMBOANGA AND ESTABLISHING
6 FOR THIS PURPOSE THE ZAMBOANGA CITY
7 SPECIAL ECONOMIC ZONE AUTHORITY,
8 APPROPRIATING FUNDS THEREFOR, AND FOR
9 OTHER";

10
11 (6) AUTHORITY OF THE FREEPORT AREA OF
12 BATAAN (AFAB), UNDER SECTION 14 OF R.A.
13 9728, OR "AN ACT CONVERTING THE BATAAN
14 ECONOMIC ZONE LOCATED IN THE
15 MUNICIPALITY OF MARIVELES, PROVINCE
16 OF BATAAN, INTO THE FREEPORT AREA OF
17 BATAAN (FAB), CREATING FOR THIS PURPOSE
18 THE AUTHORITY OF THE FREEPORT AREA OF
19 BATAAN (AFAB), APPROPRIATING FUNDS
20 THEREFOR AND FOR OTHER PURPOSES OR
21 THE "FREEPORT AREA OF BATAAN ACT OF
22 2009";

23
24 (7) TOURISM INFRASTRUCTURE AND
25 ENTERPRISE ZONE AUTHORITY (TIEZA),
26 UNDER SECTION 65 OF R.A. 9593, OR "AN ACT
27 DECLARING A NATIONAL POLICY FOR
28 TOURISM AS AN ENGINE OF INVESTMENT,
29 EMPLOYMENT, GROWTH AND NATIONAL
30 DEVELOPMENT, AND STRENGTHENING THE
31 DEPARTMENT OF TOURISM AND ITS
32 ATTACHED AGENCIES TO EFFECTIVELY
33 EFFICIENTLY IMPLEMENT THAT POLICY,
34 AND APPROPRIATING FUNDS THEREFOR";

35 (8) AURORA SPECIAL ECONOMIC ZONE
36

1 AUTHORITY, APPROPRIATING FUNDS
2 THEREFOR AND FOR OTHER PURPOSES" AND
3 SECTION 8 OF R.A. 10083, OR "AN ACT
4 AMENDING R.A. 9490, OR THE "AURORA
5 SPECIAL ECONOMIC ZONE ACT OF 2007";

6
7 (9) CAGAYAN ECONOMIC ZONE AUTHORITY
8 (CEZA), UNDER SECTION 7 OF R.A. 7922, OR
9 "AN ACT ESTABLISHING A SPECIAL
10 ECONOMIC ZONE AND FREE PORT IN THE
11 MUNICIPALITY OF SANTA ANA AND THE
12 NEIGHBORING ISLANDS IN THE
13 MUNICIPALITY OF APPARRI, PROVINCE OF
14 CAGAYAN PROVIDING FUNDS THEREFOR,
15 AND FOR OTHER PURPOSES";

16
17 (10) PHILIPPINE VETERANS INVESTMENT
18 DEVELOPMENT COOPERATION (PHIVIDEC),
19 UNDER SECTION 1, AMENDING SECTION 6 OF
20 P.D. 538 AND SECTION 2 OF E.O. 1031, S. OF
21 1985 ENTITLED, "REORGANIZING THE
22 PHIVIDEC INDUSTRIAL AUTHORITY";

23
24 (11) THE PHILIPPINE ECONOMIC ZONE
25 AUTHORITY (PEZA), UNDER SECTION 11 OF
26 R.A. 7916, OR "AN ACT PROVIDING FOR THE
27 LEGAL FRAMEWORK AND MECHANISMS FOR
28 THE CREATION, OPERATON,
29 ADMINISTRATION, AND COORDINATION OF
30 SPECIAL ECONOMIC ZONES IN THE
31 PHILIPPINES, CREATING FOR THIS PURPOSE,
32 THE PHILIPPINE ECONOMIC ZONE
33 AUTHORITY (PEZA), AND FOR OTHER
34 PURPOSES".

35
36

1 **SEC. 294. COMPOSITION OF THE FIRB. – THE**
2 **FIRB SHALL BE RECONSTITUTED AND SHALL**
3 **BE COMPOSED OF THE FOLLOWING**
4 **MEMBERS:**

5
6 **(1) SECRETARY OF THE DEPARTMENT OF**
7 **FINANCE (DOF);**

8 **(2) SECRETARY OF THE DEPARTMENT OF**
9 **TRADE AND INDUSTRY (DTI);**

10 **(3) DIRECTOR GENERAL OF THE NATIONAL**
11 **ECONOMIC AND DEVELOPMENT AUTHORITY**
12 **(NEDA);**

13 **(4) EXECUTIVE SECRETARY OF THE**
14 **PHILIPPINES; AND**

15 **(5) A MEMBER APPOINTED BY THE**
16 **PRESIDENT WHO SHALL COME FROM THE**
17 **PRIVATE SECTOR WHO SHALL SERVE FULL-**
18 **TIME. PROVIDED, THAT HE OR SHE IS**
19 **DISQUALIFIED FROM BEING A DIRECTOR,**
20 **OFFICER, EMPLOYEE, CONSULTANT,**
21 **LAWYER, AGENT OR STOCKHOLDER OF ANY**
22 **REGISTERED ENTERPRISE OR A**
23 **REPRESENTATIVE OR MEMBER OF ANY**
24 **ASSOCIATION OF REGISTERED ENTERPRISES,**
25 **IN WHICH CASE, HE OR SHE SHALL RESIGN**
26 **FROM, AND DIVEST HIMSELF OF ANY AND**
27 **ALL INTERESTS IN SUCH REGISTERED**
28 **ENTERPRISE OR ASSOCIATION OF**
29 **REGISTERED ENTERPRISE BEFORE**
30 **ASSUMPTION OF OFFICE AS MEMBER OF THE**
31 **FIRB.**

1 THE TECHNICAL COMMITTEE OF THE FIRB
2 SHALL BE COMPOSED OF THE FOLLOWING
3 MEMBERS:

- 4
- 5 (1) UNDERSECRETARY OF DOF;
 - 6 (2) UNDERSECRETARY OF DTI;
 - 7 (3) UNDERSECRETARY OF DBM;
 - 8 (4) DEPUTY DIRECTOR GENERAL OF NEDA;
 - 9 (5) COMMISSIONER OF BIR;
 - 10 (6) COMMISSIONER OF BOC; AND
 - 11 (7) EXECUTIVE DIRECTOR OF THE NTRC.
- 12

13 THE NATIONAL TAX RESEARCH CENTER
14 (NTRC) SHALL SERVE AS THE SECRETARIAT
15 OF THE FIRB.

16

17 CHAPTER IV

18 QUALIFIED ACTIVITIES FOR TAX

19 INCENTIVES

20

21 SEC. 295. *STRATEGIC INVESTMENTS PRIORITY*
22 *PLAN* (SIPP). – THE BOARD OF INVESTMENT
23 (BOI), IN COORDINATION WITH THE OFFICE
24 OF THE PRESIDENT, THE CONCERNED IPAS,
25 AND OTHER GOVERNMENT AGENCIES AND
26 THE PRIVATE SECTOR, SHALL FORMULATE
27 THE PLAN TO BE SUBMITTED TO THE
28 PRESIDENT FOR HIS APPROVAL THROUGH
29 THE ISSUANCE OF AN EXECUTIVE ORDER

1 YEARS SUBJECT TO REVIEW AND
2 AMENDMENT AS THE NEED ARISES.

3
4 THE FOLLOWING CRITERIA SHALL BE
5 COMPLIED WITH IN THE LIST OF ECONOMIC
6 ACTIVITIES IN THE PLAN:

7
8 (A) THE ACTIVITY SHALL BE COVERED BY
9 THE PHILIPPINE DEVELOPMENT PLAN OR ITS
10 EQUIVALENT AND OTHER GOVERNMENT
11 PROGRAMS, AND SHALL REFLECT THE HIGH-
12 LEVEL PRIORITIES OF THE COUNTRY;

13
14 (B) THE ACTIVITY SHALL ENDEAVOR TO BE
15 NEUTRAL IN TERMS OF NATIONALITY AND
16 MARKET, PROVIDED THAT THOSE INTENDED
17 FOR THE DOMESTIC MARKET BE IMPORT-
18 SUBSTITUTING OR IMPORT-COMPETING
19 PRODUCTS OR ACTIVITIES;

20
21 (C) THE ACTIVITY'S PERFORMANCE SHALL
22 BE MEASURABLE IN TERMS OF EXPORT
23 SALES, ACTUAL INVESTMENTS, ACTUAL JOB
24 CREATION, INVESTMENTS IN LAGGING
25 REGIONS AS DEFINED IN THE SIPP,
26 INVESTMENT AND EMPLOYMENT IN
27 RESEARCH AND DEVELOPMENT, LINKAGES
28 CREATION, AND SPILL-OVER EFFECTS,
29 AMONG OTHERS;

30
31 (D) THE ACTIVITY SHALL NOT INCLUDE
32 THOSE THAT ARE PART OF CROSS-SUBSIDY
33 SCHEMES.

1 (F) THE ACTIVITY SHALL TAKE INTO
2 ACCOUNT THE FOLLOWING:

3
4 (1) SUBSTANTIAL AMOUNT OF ACTUAL
5 INVESTMENTS;

6
7 (2) CONSIDERABLE GENERATION OF
8 ACTUAL FULL TIME EMPLOYMENT;

9
10 (3) ADOPT INCLUSIVE BUSINESS ACTIVITIES
11 AND VALUE-ADDED PRODUCTION BY MICRO,
12 SMALL, AND, MEDIUM-SIZE ENTERPRISES
13 (MSMES);

14
15 (4) USE OF MODERN OR NEW TECHNOLOGY;

16
17 (5) ADOPTION OF ADEQUATE
18 ENVIRONMENTAL PROTECTION SYSTEMS;

19
20 (6) ADDRESS MISSING GAPS IN THE
21 SUPPLY/VALUE CHAIN AND/OR MOVE UP THE
22 VALUE CHAIN OR PRODUCT LADDER;

23
24 (7) PROMOTION OF MARKET
25 COMPETITIVENESS; AND

26
27 (8) COMMERCIALIZATION OF IDEAS AND
28 INTRODUCTION OF INNOVATION ACTIVITIES
29 WHETHER PRODUCT, PROCESS, MARKETING,
30 OR NEW BUSINESS MODEL.

31
32 THE THRESHOLD AMOUNT OF INVESTMENTS
33 AND EMPLOYMENT GENERATION REQUIRED

1 TAKING INTO CONSIDERATION
2 INTERNATIONAL STANDARDS AND OTHER
3 INDICATORS.

4
5 THE ACTIVITY MUST COMPLY WITH THE
6 SPECIFIC QUALIFICATION REQUIREMENTS
7 AND/OR CONDITIONS FOR A PARTICULAR
8 SECTOR OR INDUSTRY AND OTHER
9 LIMITATIONS AS SET AND DETERMINED BY
10 THE BOI.

11
12 *PROVIDED*, THAT THE PRESIDENT MAY, IN
13 THE INTEREST OF NATIONAL ECONOMIC
14 DEVELOPMENT AND UPON THE
15 RECOMMENDATION OF THE BOARD OF
16 INVESTMENTS AND THE ECONOMIC
17 MANAGERS, GRANT INCENTIVES TO HIGHLY
18 DESIRABLE PROJECTS THAT MAY INCLUDE
19 THOSE THAT ARE NOT PROVIDED IN THE
20 SIPP: *PROVIDED FURTHER*, THAT THE
21 BENEFITS THAT THE GOVERNMENT COULD
22 DERIVE FROM SUCH INVESTMENT THERETO
23 IS CLEAR AND CONVINCING AND FAR
24 OUTWEIGHS THE COST OF INCENTIVES THAT
25 WILL BE GRANTED: *PROVIDED FURTHER*,
26 THAT THE FOLLOWING CRITERIA, AMONG
27 OTHERS, ARE CONSIDERED:

28
29 (A) MINIMUM INVESTMENT OF FIVE
30 HUNDRED MILLION UNITED STATES
31 DOLLARS (USD 500,000,000).

32
33 (B) MINIMUM DIRECT EMPLOYMENT
GENERATION OF AT LEAST ONE THOUSAND

1 *PROVIDED FINALLY, THAT THE*
2 *GOVERNMENT MAY UTILIZE ITS RESOURCES*
3 *FOR THE GRANT OF INCENTIVES SUCH AS*
4 *LAND USE, WATER APPROPRIATION, POWER*
5 *PROVISION, AND OTHER SIMILAR*
6 *RESOURCES.*

7
8 *SEC. 296. ADDITIONS AND AMENDMENTS TO*
9 *THE SIPP AND SUSPENSION OF ACTIVITIES*
10 *THEREOF. - SUBJECT TO PUBLICATION*
11 *REQUIREMENTS AND THE CRITERIA FOR*
12 *INVESTMENT PRIORITY DETERMINATION,*
13 *THE BOI MAY, AT ANY TIME, INCLUDE*
14 *ADDITIONAL AREAS IN THE PLAN, ALTER*
15 *ANY OF THE TERMS OF THE DECLARATION*
16 *OF AN INVESTMENT AREA, AND*
17 *TEMPORARILY OR PERMANENTLY SUSPEND*
18 *ACTIVITIES ON THE PLAN IF IT CONSIDERS*
19 *THAT SUCH ACTIVITY IS NO LONGER A*
20 *PRIORITY. THE IPAS SHALL NOT ACCEPT*
21 *APPLICATIONS IN AN AREA OF INVESTMENT*
22 *PRIOR TO THE APPROVAL OF THE SAME AS A*
23 *PREFERRED AREA OR AFTER APPROVAL OF*
24 *ITS DELETION AS A PREFERRED AREA OF*
25 *INVESTMENT IN THE PLAN.*

26
27 *SEC. 297. PUBLICATION OF THE SIPP AND*
28 *AMENDMENTS THERETO. - UPON APPROVAL*
29 *OF THE PLAN, IN WHOLE OR IN PART, OR*
30 *UPON APPROVAL OF AN AMENDMENT*
31 *THEREOF, THE PLAN OR THE AMENDMENT,*
32 *SPECIFYING AND DECLARING THE AREAS*
33 *OF INVESTMENTS SHALL BE PUBLISHED IN*

1 APPLICATION UNTIL PUBLICATION OF AN
2 AMENDMENT OR DELETION THEREOF.

3
4 **SEC. 298. *QUALIFICATIONS OF A REGISTERED***
5 ***ENTERPRISE FOR TAX INCENTIVES.*** – A
6 REGISTERED ENTERPRISE MUST SATISFY
7 THE FOLLOWING CONDITIONS FOR
8 CONSIDERATION IN THE REVIEW AND
9 GRANT OF TAX INCENTIVES:

10
11 (1) IT WILL ENGAGE IN AN ACTIVITY
12 INCLUDED IN THE PLAN;

13
14 (2) IF THE APPLICANT IS ENGAGED OR
15 PROPOSES TO ENGAGE IN ACTIVITIES OTHER
16 THAN THE REGISTERED PROJECTS, IT SHALL
17 INSTALL AN ADEQUATE ACCOUNTING
18 SYSTEM THAT SHALL IDENTIFY THE
19 INVESTMENTS, REVENUES, COSTS AND
20 PROFITS OR LOSSES OF EACH REGISTERED
21 PROJECT UNDERTAKEN BY THE ENTERPRISE
22 SEPARATELY FROM THE AGGREGATE
23 INVESTMENTS, REVENUES, COSTS AND
24 PROFITS OR LOSSES OF THE WHOLE
25 ENTERPRISE, OR ESTABLISH A SEPARATE
26 CORPORATION FOR EACH REGISTERED
27 PROJECT IF THE IPAS SHOULD SO REQUIRE;

28
29 (3) IT SHALL SATISFY THE PERFORMANCE
30 TARGETS SET FORTH IN THE SIPP, WHICH
31 SHALL INCLUDE, BUT NOT LIMITED TO,
32 EXPORT SALES, ACTUAL INVESTMENTS,

1 INTERMEDIATE PARTS AND COMPONENTS,
2 SUPPLIES, AND RAW MATERIALS, AMONG
3 OTHERS.

4
5 (4) IT SHALL REGULARLY REPORT AND
6 COMPLY WITH THE REPORTORIAL
7 REQUIREMENTS UNDER REPUBLIC ACT NO.
8 10708 OR THE TIMTA LAW.

9
10 *PROVIDED*, THAT NON-COMPLIANCE OF THE
11 ABOVE-MENTIONED CONDITIONS SHALL
12 CAUSE THE REVOCATION OF THE TAX
13 INCENTIVES GRANTED AND THE
14 REGISTERED ENTERPRISE SHALL BE LIABLE
15 TO THE PENALTIES UNDER SECTION 301 OF
16 THIS CODE. *PROVIDED FURTHER*, THAT
17 REGISTERED EXPORT ENTERPRISES INSIDE
18 ECONOMIC ZONES AND FREEPORTS MAY
19 AVAIL OF THE TAX AND DUTY FREE
20 IMPORTATION OF CAPITAL EQUIPMENT AND
21 RAW MATERIALS DIRECTLY AND
22 EXCLUSIVELY USED IN THE REGISTERED
23 ACTIVITY INSIDE THE ZONES.

24 25 CHAPTER V

26 AVAILMENT OF TAX INCENTIVES

27
28 **SEC. 299. INCOME TAX-BASED INCENTIVES. –**
29 **ALL REGISTERED ENTERPRISES ARE**
30 **REQUIRED TO FILE ALL THEIR TAX RETURNS**
31 **USING THE ELECTRONIC/ONLINE FACILITIES**
32 **OF THE BUREAU OF INTERNAL REVENUE**

1 INCOME TAX RETURN (ITR) OR ANNUAL
2 INFORMATION RETURN (AIR), WHICHEVER IS
3 APPLICABLE. THEREAFTER, THE
4 REGISTERED ENTERPRISE SHALL FILE ITS
5 CLAIM WITH THE BIR FOR VALIDATION.

6
7 FAILURE TO SECURE AND ATTACH THE
8 CERTIFICATION TO THE ITR OR AIR, AND/OR
9 FILE THE INCENTIVE AVAILMENT
10 APPLICATION SHALL CAUSE THE
11 FORFEITURE OF THE INCENTIVE FOR THAT
12 TAXABLE PERIOD.

13
14 SEC. 300. *CUSTOMS DUTY EXEMPTION ON*
15 *CAPITAL EQUIPMENT. – IMPORTATION OF*
16 *CAPITAL EQUIPMENT, MACHINERY AND*
17 *SPARE PARTS EXCLUSIVELY USED FOR*
18 *CAPITAL EQUIPMENT AND MACHINERY*
19 *INCLUDING CONSIGNMENT THEREOF BY*
20 *REGISTERED ENTERPRISES MAY BE*
21 *EXEMPTED TO THE EXTENT OF ONE*
22 *HUNDRED PERCENT (100%) OF THE CUSTOMS*
23 *DUTY, PROVIDED THAT THE FOLLOWING*
24 *CONDITIONS ARE COMPLIED WITH:*

25
26 (A) THE CAPITAL EQUIPMENT AND/OR
27 SPARE PARTS IS ARE DIRECTLY AND
28 REASONABLY NEEDED AND WILL BE USED
29 EXCLUSIVELY IN AND AS PART OF THE
30 DIRECT COST OF THE REGISTERED ACTIVITY
31 OF THE REGISTERED ENTERPRISE, AND ARE
32 NOT MANUFACTURED DOMESTICALLY IN
33 SUFFICIENT QUANTITY, OF COMPARABLE

1 PROVIDED THE PROPORTIONATE TAXES AND
2 DUTIES ARE PAID ON A SPECIFIC EQUIPMENT
3 AND MACHINERY IN PROPORTION TO ITS
4 UTILIZATION FOR NON-REGISTERED
5 ACTIVITIES. IN THE EVENT, IT SHALL BE
6 USED FOR NON-REGISTERED ACTIVITY OF
7 THE REGISTERED ENTERPRISE AT ANYTIME
8 WITHIN THE FIRST FIVE (5) YEARS FROM
9 DATE OF IMPORTATION, THE REGISTERED
10 ENTERPRISE SHALL FIRST SEEK PRIOR
11 APPROVAL OF THE AUTHORITY, AND PAY
12 THE TAXES AND CUSTOMS DUTIES THAT
13 WERE NOT PAID UPON ITS IMPORTATION;
14 AND

15
16 (B) THE APPROVAL OF THE IPA WAS
17 OBTAINED BY THE REGISTERED ENTERPRISE
18 PRIOR TO THE IMPORTATION OF SUCH
19 CAPITAL EQUIPMENT AND/OR SPARE PARTS.

20
21 APPROVAL OF THE IPA MUST BE SECURED
22 BEFORE ANY SALE, TRANSFER OR
23 DISPOSITION OF THE CAPITAL EQUIPMENT
24 AND/OR SPARE PARTS WHICH WAS GRANTED
25 TAX AND CUSTOMS DUTY EXEMPTION
26 HEREUNDER IS MADE, AND IT SHALL BE
27 ALLOWED ONLY UNDER THE FOLLOWING
28 CIRCUMSTANCES:

29
30 (1) IF MADE TO ANOTHER ENTERPRISE
31 ENJOYING CUSTOMS DUTY EXEMPTION ON
32 IMPORTED CAPITAL EQUIPMENT AND/OR
33 SPARE PARTS;

1 ON THE NET BOOK VALUE OF THE CAPITAL
2 EQUIPMENT AND/OR SPARE PARTS TO BE
3 SOLD;

4
5 (3) EXPORTATION OF CAPITAL EQUIPMENT,
6 MACHINERY, SPARE PARTS OR SOURCE
7 DOCUMENTS, OR THOSE REQUIRED FOR
8 POLLUTION ABATEMENT AND CONTROL; OR

9
10 (4) FOR REASONS OF PROVEN TECHNICAL
11 OBSOLESCENCE.

12
13 *PROVIDED*, THAT IF THE REGISTERED
14 ENTERPRISE SELLS, TRANSFERS OR
15 DISPOSES THE AFOREMENTIONED
16 IMPORTED ITEMS WITHOUT PRIOR
17 APPROVAL, THE REGISTERED ENTERPRISE
18 AND THE VENDEE, TRANSFEREE, OR
19 ASSIGNEE SHALL BE SOLIDARILY LIABLE TO
20 PAY TWICE THE AMOUNT OF THE DUTY
21 EXEMPTION THAT SHOULD HAVE BEEN PAID
22 DURING ITS IMPORTATION. *PROVIDED*
23 *FURTHER*, THAT EVEN IF THE SALE,
24 TRANSFER OR DISPOSITION OF THE CAPITAL
25 EQUIPMENT WAS MADE AFTER FIVE (5)
26 YEARS FROM DATE OF IMPORTATION WITH
27 THE APPROVAL OF THE IPA, THE
28 REGISTERED ENTERPRISE IS STILL LIABLE
29 TO PAY THE DUTIES BASED ON THE NET
30 BOOK VALUE OF THE CAPITAL EQUIPMENT
31 IF IT HAS VIOLATED ANY OF ITS
32 REGISTRATION TERMS AND CONDITIONS.
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CHAPTER VI
FINAL PROVISIONS

SEC. 301. *NO DOUBLE REGISTRATION OF ENTERPRISES.* – REGISTERED ENTERPRISES SHALL NOT BE ALLOWED TO REGISTER THEIR ACTIVITIES IN MORE THAN ONE (1) IPA.

SEC. 302. *GOVERNANCE RULES.* – THE DIFFERENT IPAS MAY REQUIRE DOMESTIC REGISTERED ENTERPRISES TO LIST THEIR SHARES OF STOCK IN ANY ACCREDITED STOCK EXCHANGE OR DIRECTLY OFFER A PORTION OF THEIR CAPITAL STOCK TO THE PUBLIC AND/OR THEIR EMPLOYEES WITHIN FIFTEEN (15) YEARS FROM DATE OF REGISTRATION.

SEC. 303. *INVESTMENTS PRIOR TO THE EFFECTIVITY OF THIS ACT.* – EXISTING REGISTERED ACTIVITIES GRANTED THE INCOME TAX HOLIDAY SHALL BE ALLOWED TO CONTINUE WITH THE AVAILMENT OF THE SAID INCENTIVE FOR THE REMAINING PERIOD OF THE ITH OR FOR A PERIOD OF FIVE (5) YEARS ONLY, WHICHEVER COMES FIRST; *PROVIDED* THAT THE TAX INCENTIVE GRANTED TO EXISTING REGISTERED ACTIVITIES SHALL BE ALLOWED TO CONTINUE FOLLOWING THE SCHEDULE STATED HEREIN:

1
2 (B) THREE (3) YEARS FOR ACTIVITIES THAT
3 HAVE RECEIVED THE SPECIAL TAX RATE OF
4 5% OF GROSS INCOME EARNED INCENTIVE
5 TAX INCENTIVE BETWEEN FIVE (5) AND TEN
6 (10) YEARS;

7
8 (C) FIVE (5) YEARS FOR ACTIVITIES THAT
9 HAVE RECEIVED THE INCOME TAX HOLIDAY
10 (ITH) OR THE SPECIAL TAX RATE OF 5% OF
11 GROSS INCOME EARNED TAX INCENTIVE
12 BELOW FIVE (5) YEARS. *PROVIDED* THAT THE
13 5% TAX ON GROSS INCOME EARNED SHALL
14 COMMENCE AFTER THE ITH PERIOD HAS
15 LAPSED ONLY FOR THE REMAINING YEARS
16 WITHIN THE FIVE-YEAR PERIOD.

17
18 **SEC. 304. *SUSPENSION AND FORFEITURE OF***
19 ***TAX INCENTIVES OF REGISTERED***
20 ***ENTERPRISES, REFUND AND PENALTIES;***
21 ***WAIVER AND CONDONATION.*** – WHEN THERE
22 IS PROBABLE CAUSE TO BELIEVE THAT THE
23 REGISTERED ENTERPRISE HAS VIOLATED ITS
24 REGISTRATION TERMS AND CONDITIONS,
25 THE IPA SHALL RECOMMEND TO THE FIRB
26 THE SUSPENSION OF ITS AVAILMENT OF
27 INCENTIVES, UNTIL PROVEN OTHERWISE.

28
29 IN CASE OF CANCELLATION OF THE
30 CERTIFICATE OF REGISTRATION GRANTED
31 UNDER THIS ACT, THE BIR, IN
32 COORDINATION WITH THE FIRB, WILL
33 REQUIRE THE PAYMENT OF INCENTIVES
4 ASSESSED TO HAVE BEEN GRANTED TO THE

1 THE FOREGOING IS WITHOUT PREJUDICE TO
2 THE AUTHORITY OF THE BIR TO CONDUCT
3 AUDIT AND IMPOSE PENALTIES UNDER THIS
4 CODE.

5
6 SEC. 36. A new Title on Tax and Duty Treatment of Entities
7 Other Than Registered Enterprises is hereby inserted in the NIRC as
8 Title XIII to read:

9
10 TITLE XIII

11
12 TAX AND DUTY TREATMENT OF ENTITIES
13 OTHER THAN REGISTERED ENTERPRISES

14
15 SEC. 305. *TAX AND DUTY TREATMENT OF*
16 *GOVERNMENT-OWNED AND CONTROLLED*
17 *CORPORATIONS.* – ALL INTERNAL REVENUE
18 TAX AND DUTY OBLIGATIONS OF THE
19 GOVERNMENT-OWNED AND CONTROL
20 CORPORATIONS (GOCCS) SHALL BE
21 CHARGEABLE TO THE TAX EXPENDITURE
22 FUND (TEF) IN THE ANNUAL GENERAL
23 APPROPRIATIONS ACT PURSUANT TO THE
24 PROVISIONS OF EXECUTIVE ORDER NO. 93, S.
25 OF 1986: *PROVIDED, HOWEVER, THAT GOCCS*
26 *SHALL BE LIABLE TO ALL LOCAL*
27 *GOVERNMENT IMPOSITIONS.*

28
29 FOR THIS PURPOSE, THE FOLLOWING
30 PROVISIONS OF LAWS SHALL BE AMENDED
31 OR REPEALED IN CONFORMITY WITH THIS
32 SECTION:

33
34 (1) SECTION 18 OF REPUBLIC ACT NO. 7884
35 ENTITLED, "AN ACT CREATING THE
NATIONAL DAIRY AUTHORITY TO

1
2 (2) SECTION 8 OF REPUBLIC ACT NO. 7903
3 ENTITLED, "AN ACT CREATING SPECIAL
4 ECONOMIC ZONE AND FREE PORT IN THE
5 CITY OF ZAMBOANGA FOR THIS PURPOSE
6 THE ZAMBOANGA CITY SPECIAL ECONOMIC
7 ZONE AUTHORITY, APPROPRIATING FUNDS
8 THEREFOR, AND FOR OTHER PURPOSE";

9
10 (3) SECTION 12-A OF REPUBLIC ACT NO.
11 10083 ENTITLED, "AN ACT AMENDING
12 REPUBLIC ACT NO. 9490, OTHERWISE KNOWN
13 AS THE AURORA SPECIAL ECONOMIC ZONE
14 ACT OF 2007;"

15
16 (4) SECTIONS 29, 57, 74, 95 (C) OF REPUBLIC
17 ACT NO. 9593 ENTITLED, "AN ACT DECLARING
18 TOURISM AS ENGINE OF INVESTMENT,
19 EMPLOYMENT, GROWTH AND NATIONAL
20 DEVELOPMENT AND STRENGTHENING THE
21 DEPARTMENT OF TOURISM OR TOURISM ACT
22 OF 2009";

23
24 (5) SECTION 10 OF PRESIDENTIAL DECREE
25 NO. 538 ENTITLED, "CREATING AND
26 ESTABLISHING THE PHIVIDEC INDUSTRIAL
27 AUTHORITY AND MAKING IT A SUBSIDIARY
28 AGENCY OF THE PHILIPPINE VETERANS
29 INVESTMENT DEVELOPMENT CORPORATION
30 DEFINING ITS POWERS, FUNCTIONS AND
31 RESPONSIBILITIES, AND FOR OTHER
32 PURPOSES";

33
34 (6) SECTION 16 (A) (B) OF REPUBLIC ACT NO.
35 9497 ENTITLED, "AN ACT CREATING THE
36 CIVIL AVIATION AUTHORITY OF THE

1 (7) SECTION 8 OF REPUBLIC ACT NO. 7278
2 ENTITLED, "AN ACT AMENDING
3 COMMONWEALTH ACT 111, AS AMENDED BY
4 PD 460, ENTITLED "AN ACT TO CREATE A
5 PUBLIC CORPORATION KNOWN AS THE BOYS
6 SCOUTS OF THE PHILIPPINES AND TO DEFINE
7 ITS POWERS AND PURPOSES," BY
8 STRENGTHENING THE VOLUNTEER AND
9 DEMOCRATIC CHARACTER OF THE BOYS
10 SCOUTS OF THE PHILIPPINES AND FOR
11 OTHER PURPOSES;"

12
13 (8) SECTION 11 (A), (B), (C), (D) OF REPUBLIC
14 ACT NO. 10073, ENTITLED "AN ACT
15 INSTITUTING THE NEW GIRL SCOUTS OF THE
16 PHILIPPINES CHARTER, PENALIZING
17 VIOLATIONS THEREFOR AND FOR OTHER
18 PURPOSES;"

19
20 (9) SECTION 14 OF REPUBLIC ACT NO. 7354
21 ENTITLED, "AN ACT CREATING THE
22 PHILIPPINE POSTAL CORPORATION,
23 DEFINING ITS POWERS, FUNCTIONS AND
24 RESPONSIBILITIES, PROVIDING FOR
25 REGULATION OF THE INDUSTRY AND FOR
26 OTHER PURPOSES CONNECTED
27 THEREWITH;"

28
29 (10) SECTION 8 AND 14 OF PRESIDENTIAL
30 DECREE NO. 269 ENTITLED, "CREATING THE
31 NATIONAL ELECTRIFICATION
32 ADMINISTRATION AS A CORPORATION,
33 PRESCRIBING ITS POWERS AND ACTIVITIES,
34 APPROPRIATING THE NECESSARY FUNDS
35 THEREFORE AND DECLARING A NATIONAL
36 POLICY OBJECTIVE FOR THE TOTAL

1 OBJECTIVE, PRESCRIBING TERMS AND
2 CONDITIONS FOR THEIR OPERATIONS, THE
3 REPEAL OF RA 6038, AND FOR OTHER
4 PURPOSES;"

5
6 (11) SECTION 2 AND 19 OF REPUBLIC ACT NO.
7 9679 ENTITLED, "AN ACT AMENDING THE
8 HOME DEVELOPMENT MUTUAL FUND
9 OTHERWISE KNOWN AS THE PAG-IBIG
10 FUND;"

11
12 (12) SECTION 17 (C) UNDER SECTION 8 OF
13 REPUBLIC ACT NO. 9576 ENTITLED,
14 "INCREASING THE MAXIMUM DEPOSIT
15 INSURANCE COVERAGE, AND
16 STRENGTHENING THE REGULATORY AND
17 ADMINISTRATIVE AUTHORITY AND
18 FINANCIAL CAPABILITY OF PDIC;"

19
20 (13) SECTION 13 OF REPUBLIC ACT NO. 7820
21 ENTITLED, "AN ACT CREATING THE PARTIDO
22 DEVELOPMENT ADMINISTRATION, DEFINING
23 ITS POWERS AND FUNCTIONS, PROVIDING
24 FUNDS THEREFOR, AND FOR OTHER
25 PURPOSES;"

26
27 (14) SECTION 5(J) OF REPUBLIC ACT NO. 9510
28 ENTITLED, "AN ACT ESTABLISHING THE
29 CREDIT INFORMATION SYSTEM AND FOR
30 OTHER PURPOSES;"

31
32 (15) SECTION 13(E) OF PRESIDENTIAL
33 DECREE NO. 857 ENTITLED, "AN ACT
34 PROVIDING FOR THE REORGANIZATION OF
35 PORT ADMINISTRATION AND OPERATION
36 FUNCTIONS IN THE PHILIPPINES, REVISING

1 (16) SECTION 19 OF REPUBLIC ACT NO. 6847
2 ENTITLED, "AN ACT CREATING AND
3 ESTABLISHING THE PHILIPPINE SPORTS
4 COMMISSION, DEFINING ITS POWERS,
5 FUNCTIONS, AND RESPONSIBILITIES,
6 APPROPRIATING FUNDS THEREFOR, AND FOR
7 OTHER PURPOSES";

8
9 (17) SECTION 8 (A) (B) AND SECTION 13 OF
10 REPUBLIC ACT NO. 6395 ENTITLED, "AN ACT
11 REVISING THE CHARTER OF THE NATIONAL
12 POWER CORPORATION";

13
14 (18) SECTION 1 OF REPUBLIC ACT NO. 7291
15 ENTITLED, "AN ACT RESTORING THE TAX
16 AND DUTY INCENTIVES PREVIOUSLY
17 ENJOYED BY THE VETERANS FEDERATION
18 OF THE PHILIPPINES UNDER REPUBLIC ACT
19 NUMBERED TWENTY-SIX HUNDRED AND
20 FORTY"; AND

21
22 (19) SECTION 21 OF REPUBLIC ACT NO. 7306
23 ENTITLED, "AN ACT PROVIDING FOR THE
24 ESTABLISHMENT OF THE PEOPLE'S
25 TELEVISION NETWORK, INC., DEFINING ITS
26 POWERS AND FUNCTIONS, PROVIDING FOR
27 ITS SOURCES OF FUNDING AND FOR OTHER
28 PURPOSES:"

29
30 *PROVIDED, FINALLY*, THAT PROVISIONS OF
31 ALL OTHER LAWS NOT OTHERWISE
32 ENUMERATED HEREIN THAT ARE
33 INCONSISTENT WITH THE TAX AND DUTY
34 TREATMENT OF GOCCS UNDER THIS
35 SECTION ARE DEEMED AMENDED OR
36 REPEALED.

1 UNDER APPLICABLE LAWS, THE GRANTEE
2 SHALL PAY TO THE PHILIPPINE
3 GOVERNMENT DURING THE LIFE OF ITS
4 FRANCHISE ALL THE APPLICABLE TAXES
5 AND IMPOSITIONS LEVIED UNDER THE
6 NATIONAL INTERNAL REVENUE CODE, AS
7 AMENDED, AND THE LOCAL GOVERNMENT
8 CODE, AS AMENDED, FOR REVENUES EARNED
9 FROM ALL ACTIVITIES: *PROVIDED*, THAT THE
10 SECRETARY OF FINANCE SHALL BE
11 CONSULTED ON ANY CHANGES IN THE TAX
12 AND DUTY TREATMENT OF ANY GRANTEE.

13 FOR THIS PURPOSE, THE FOLLOWING
14 PROVISIONS OF LAWS SHALL BE AMENDED
15 OR REPEALED IN CONFORMITY WITH THIS
16 SECTION:
17

18
19 (1) SECTION 13 AND 14 OF PRESIDENTIAL
20 DECREE 1590 ENTITLED "AN ACT GRANTING
21 A NEW FRANCHISE TO PHILIPPINE AIRLINES,
22 INC. TO ESTABLISH, OPERATE AND
23 MAINTAIN AIR TRANSPORT SERVICES IN THE
24 PHILIPPINES AND OTHER COUNTRIES";

25
26 (2) SECTION 11 OF REPUBLIC ACT NO. 7151
27 ENTITLED "AN ACT GRANTING CEBU AIR,
28 INC. FRANCHISE TO ESTABLISH, OPERATE
29 AND MAINTAIN TRANSPORT SERVICES FOR
30 THE CARRIAGE OF PASSENGERS, MAIL,
31 GOODS AND PROPERTY BY AIR, BOTH
32 DOMESTIC AND INTERNATIONAL WITH CEBU
33 AS ITS BASE";

34
35 (3) SECTION 11 OF REPUBLIC ACT NO. 7583
36 ENTITLED "AN ACT GRANTING ABOITIZ AIR

1
2 (4) SECTION 12 AND 14 OF REPUBLIC ACT
3 NO. 7909 ENTITLED "AN ACT GRANTING A
4 FRANCHISE TO PACIFIC AIRWAYS
5 CORPORATION TO ESTABLISH AND
6 MAINTAIN RURAL AIR TRANSPORT SYSTEM
7 AND ALLIED SERVICES IN THE PHILIPPINES";
8

9 (5) SECTION 11 AND 15 OF REPUBLIC ACT
10 NO. 8339 ENTITLED "AN ACT GRANTING AIR
11 PHILIPPINES CORPORATION (AIR
12 PHILIPPINES) A FRANCHISE TO ESTABLISH,
13 OPERATE AND MAINTAIN DOMESTIC AND
14 INTERNATIONAL AIR TRANSPORT
15 SERVICES";
16

17 (6) SECTION 14 OF REPUBLIC ACT NO. 7783
18 ENTITLED "AN ACT GRANTING THE MAJOR
19 TELECOMS, INC., A FRANCHISE TO
20 ESTABLISH, INSTALL, MAINTAIN, LEASE AND
21 OPERATE WIRE AND/OR WIRELESS
22 TELECOMMUNICATIONS SYSTEMS, LINES,
23 CIRCUITS AND STATIONS THROUGHOUT THE
24 PHILIPPINES FOR PUBLIC DOMESTIC AND
25 INTERNATIONAL COMMUNICATIONS, AND
26 FOR OTHER PURPOSES";
27

28 (7) SECTION 10 OF REPUBLIC ACT NO 7939
29 ENTITLED "AN ACT GRANTING THE ISLAND
30 COUNTRY TELECOMMUNICATIONS, INC., A
31 FRANCHISE TO ESTABLISH, INSTALL,
32 MAINTAIN, LEASE AND OPERATE WIRE
33 AND/OR WIRELESS TELECOMMUNICATION
34 SYSTEM AND SERVICES, LINES, CIRCUITS
35 AND STATIONS WITHIN AND WITHOUT THE
36 PHILIPPINES, AND FOR OTHER PURPOSES";

1 **MAINTAIN A TELECOMMUNICATIONS**
2 **SYSTEM THROUGHOUT THE PHILIPPINES”;**

3
4 **(9) SECTION 8 OF REPUBLIC ACT NO. 7962**
5 **ENTITLED “AN ACT GRANTING THE**
6 **PHILIPPINE BROADCASTING CORPORATION**
7 **A FRANCHISE TO CONSTRUCT, INSTALL,**
8 **OPERATE AND MAINTAIN RADIO AND**
9 **TELEVISION BROADCASTING STATIONS**
10 **WITHIN THE PHILIPPINES, AND FOR OTHER**
11 **PURPOSES”;**

12
13 **(10) SECTION 8 OF REPUBLIC ACT NO. 7963**
14 **ENTITLED “AN ACT GRANTING THE CEBU**
15 **BROADCASTING COMPANY A FRANCHISE TO**
16 **CONSTRUCT, INSTALL, OPERATE AND**
17 **MAINTAIN RADIO AND TELEVISION**
18 **BROADCASTING STATIONS WITHIN THE**
19 **PHILIPPINES AND FOR OTHER PURPOSES”;**

20
21 **(11) SECTION 8 OF REPUBLIC ACT NO. 7966**
22 **ENTITLED “AN ACT GRANTING THE ABS-CBN**
23 **BROADCASTING CORPORATION A**
24 **FRANCHISE TO CONSTRUCT, INSTALL,**
25 **OPERATE AND MAINTAIN TELEVISION AND**
26 **RADIO BROADCASTING STATIONS IN THE**
27 **PHILIPPINES AND FOR OTHER PURPOSES”;**

28
29 **(12) SECTION 8 OF REPUBLIC ACT NO. 7967**
30 **ENTITLES “AN ACT GRANTING THE PACIFIC**
31 **BROADCASTING SYSTEM, INC. A FRANCHISE**
32 **TO CONSTRUCT, INSTALL, OPERATE AND**
33 **MAINTAIN RADIO AND TELEVISION**
34 **BROADCASTING STATIONS WITHIN THE**
35 **PHILIPPINES AND FOR OTHER PURPOSES”;**
36

1 CABLE/COMMUNITY ANTENNAE TELEVISION
2 SYSTEMS IN THE PHILIPPINES”;

3
4 (14) SECTION 13 OF REPUBLIC ACT NO. 8004
5 ENTITLED “AN ACT GRANTING TO
6 MILLENNIA TELECOMMUNICATIONS
7 CORPORATION A FRANCHISE TO INSTALL,
8 OPERATE AND MAINTAIN
9 TELECOMMUNICATION SERVICES WITHIN
10 THE PHILIPPINES AND INTERNATIONAL
11 POINTS, AND FOR OTHER PURPOSES”;

12
13 (15) SECTION 9 OF REPUBLIC ACT NO. 10900
14 ENTITLED “AN ACT EXTENDING FOR
15 ANOTHER TWENTY-FIVE (25) YEARS THE
16 FRANCHISE GRANTED TO BELL
17 TELECOMMUNICATION PHILIPPINES, INC.,
18 AMENDING FOR THE PURPOSE REPUBLIC
19 ACT NO. 7692, ENTITLED “AN ACT GRANTING
20 BELL TELECOMMUNICATION PHILIPPINES,
21 INC., A FRANCHISE TO INSTALL, OPERATE,
22 AND MAINTAIN TELECOMMUNICATIONS
23 SYSTEMS THROUGHOUT THE PHILIPPINES
24 AND FOR OTHER PURPOSES”;

25
26 (16) SECTION 3 OF REPUBLIC ACT NO. 7859
27 ENTITLED “AN ACT AMENDING SECTION ONE
28 OF THE FRANCHISE OF WORLDWIDE
29 COMMUNICATIONS, INC., GRANTED UNDER
30 REPUBLIC ACT NO. FIVE THOUSAND THREE
31 HUNDRED TWENTY-ONE AND EXTENDING IT
32 FOR ANOTHER TWENTY-FIVE (25) YEARS,
33 AND FOR OTHER PURPOSES”;

34
35 (17) SECTION 8 OF REPUBLIC ACT NO. 8060
36 ENTITLED “AN ACT GRANTING PALAWAN

1
2 (18) SECTION 8 OF REPUBLIC ACT NO. 8063
3 ENTITLED "AN ACT GRANTING THE BEACON
4 COMMUNICATIONS SYSTEMS, INC., A
5 FRANCHISE TO CONSTRUCT, INSTALL,
6 ESTABLISH, OPERATE AND MAINTAIN
7 COMMERCIAL RADIO STATIONS IN THE
8 PHILIPPINES";

9
10 (19) SECTION 9 OF REPUBLIC ACT NO. 8065
11 ENTITLED "AN ACT GRANTING THE ISLA
12 CELLULAR COMMUNICATIONS, INC., A
13 FRANCHISE TO CONSTRUCT, MAINTAIN,
14 ESTABLISH, OPERATE COMMERCIAL MOBILE
15 AND FIXED WIRELESS
16 TELECOMMUNICATIONS SYSTEM IN THE
17 PHILIPPINES";

18
19 (20) SECTION 9 REPUBLIC ACT NO. 8066
20 ENTITLED "AN ACT GRANTING THE ISLA
21 PAGING COMPANY, A FRANCHISE TO
22 CONSTRUCT, MAINTAIN, ESTABLISH, AND
23 OPERATE COMMERCIAL RADIO PAGING
24 SERVICES IN THE PHILIPPINES";

25
26 (21) SECTION 8 OF REPUBLIC ACT NO. 8067
27 ENTITLED "AN ACT GRANTING THE RADIO
28 GUBAT NETWORK, INC., A FRANCHISE TO
29 CONSTRUCT, INSTALL, OPERATE AND
30 MAINTAIN RADIO BROADCASTING STATIONS
31 IN THE BICOL REGION";

32
33 (22) SECTION 8 OF REPUBLIC ACT NO. 8068
34 ENTITLED "AN ACT GRANTING A FRANCHISE
35 TO AGUSAN COMMUNICATIONS
36 FOUNDATION, INC., TO CONSTRUCT,

1 (23) SECTION 8 OF REPUBLIC ACT NO. 8071
2 ENTITLED "AN ACT GRANTING VISMIN
3 RADIO AND TELEVISION BROADCASTING
4 NETWORK, INCORPORATED A FRANCHISE TO
5 CONSTRUCT, INSTALL, OPERATE AND
6 MAINTAIN FOR COMMERCIAL PURPOSES
7 RADIO AND TELEVISION BROADCASTING
8 STATIONS IN THE VISAYAS AND MINDANAO,
9 AND FOR OTHER PURPOSES";

10
11 (24) SECTION 8 OF REPUBLIC ACT NO. 8080
12 ENTITLED "AN ACT GRANTING THE ASIAN-
13 PACIFIC BROADCASTING COMPANY, INC., A
14 FRANCHISE TO CONSTRUCT, INSTALL,
15 OPERATE AND MAINTAIN BROADCASTING
16 STATIONS IN THE PHILIPPINES";

17
18 (25) SECTION 8 OF REPUBLIC ACT NO. 8094
19 ENTITLED "AN ACT GRANTING THE IPIL
20 BROADCASTING NEWS NETWORK, INC. A
21 FRANCHISE TO CONSTRUCT, INSTALL,
22 OPERATE AND MAINTAIN RADIO AND
23 TELEVISION BROADCASTING STATIONS IN
24 ZAMBOANGA DEL SUR AND FOR OTHER
25 PURPOSES";

26
27 (26) SECTION 10 OF REPUBLIC ACT NO. 8095
28 ENTITLED "AN ACT GRANTING THE ISLATEL
29 CORPORATION A FRANCHISE TO
30 CONSTRUCT, MAINTAIN, ESTABLISH AND
31 OPERATE COMMERCIAL NATIONWIDE AND
32 REGIONAL TRANSMISSION NETWORK AND
33 OTHER TELEPHONE SERVICES IN THE
34 PHILIPPINES";

35 (27) SECTION 8 OF REPUBLIC ACT NO. 8096
36

1 WHERE FREQUENCIES ARE STILL
2 AVAILABLE FOR RADIO BROADCASTING FOR
3 EDUCATIONAL AND CULTURAL, AS WELL AS
4 FOR COMMERCIAL PURPOSES”;

5
6 (28) SECTION 8 OF REPUBLIC ACT NO. 8097
7 ENTITLED “AN ACT GRANTING THE PARTIDO
8 BROADCASTING CORPORATION A
9 FRANCHISE TO CONSTRUCT, INSTALL,
10 ESTABLISH, OPERATE AND MAINTAIN
11 BROADCAST AND CABLE RADIO AND
12 TELEVISION STATIONS IN THE BICOL
13 REGION”;

14
15 (29) SECTION 8 OF REPUBLIC ACT NO. 8098
16 ENTITLED “AN ACT GRANTING BROADCAST
17 ENTERPRISES AND AFFILIATED MEDIA
18 (BEAM), INC., A FRANCHISE TO ESTABLISH,
19 CONSTRUCT, OPERATE AND MAINTAIN
20 COMMERCIAL RADIO AND TELEVISION
21 BROADCAST STATIONS INCLUDING CABLE
22 TELEVISION SYSTEMS IN THE PHILIPPINES”;

23
24 (30) SECTION 8 OF REPUBLIC ACT NO. 8099
25 ENTITLED “AN ACT GRANTING A FRANCHISE
26 TO SAGAY BROADCASTING CORPORATION
27 (SBC) TO CONSTRUCT, OPERATE AND
28 MAINTAIN STATIONS FOR RADIO AND
29 TELEVISION IN THE PHILIPPINES AND FOR
30 OTHER PURPOSES”;

31
32 (31) SECTION 7 OF REPUBLIC ACT NO. 8102
33 ENTITLED “AN ACT GRANTING THE
34 ULTIMATE ENTERTAINMENT, INC., A
35 FRANCHISE TO CONSTRUCT, INSTALL,
36 MAINTAIN AND OPERATE RADIO

1 VIMCONTU BROADCASTING CORPORATION A
2 FRANCHISE TO CONSTRUCT, INSTALL,
3 OPERATE AND MAINTAIN RADIO AND
4 TELEVISION BROADCASTING STATIONS,
5 WITHIN THE PHILIPPINES AND FOR OTHER
6 PURPOSES”;

7
8 (33) SECTION 8 OF REPUBLIC ACT NO. 8119
9 ENTITLED “AN ACT GRANTING THE GOOD
10 NEWS SORSOGON FOUNDATION, INC., A
11 FRANCHISE TO CONSTRUCT, INSTALL,
12 OPERATE AND MAINTAIN FOR RELIGIOUS,
13 EDUCATIONAL AND COMMERCIAL
14 PURPOSES, RADIO AND TELEVISION
15 BROADCASTING STATIONS WITHIN THE
16 PHILIPPINES AND FOR OTHER PURPOSES”;

17
18 (34) SECTION 5 OF REPUBLIC ACT NO. 8120
19 ENTITLED “AN ACT GRANTING THE ANDRES
20 BONIFACIO COLLEGE BROADCASTING
21 SYSTEM, INC., A FRANCHISE TO CONSTRUCT,
22 MAINTAIN AND OPERATE RADIO
23 BROADCASTING STATIONS AND STATIONS
24 FOR TELEVISION IN THE ISLAND OF
25 MINDANAO FOR EDUCATIONAL, CULTURAL,
26 AND COMMERCIAL PURPOSES”;

27
28 (35) SECTION 8 OF REPUBLIC ACT NO. 8121
29 ENTITLED “AN ACT GRANTING THE M.S.
30 NETWORK MANAGEMENT, INC. A FRANCHISE
31 TO CONSTRUCT, INSTALL, OPERATE AND
32 MAINTAIN FOR COMMERCIAL PURPOSES,
33 RADIO BROADCASTING STATIONS IN THE
34 PHILIPPINES AND FOR OTHER PURPOSES”;

35
36 (36) SECTION 7 OF REPUBLIC ACT NO. 8123

1 STATIONS IN THE PHILIPPINES AND FOR
2 OTHER PURPOSES”;

3
4 (37) SECTION 8 OF REPUBLIC ACT NO. 8128
5 ENTITLED “AN ACT GRANTING A FRANCHISE
6 TO THE ORIENTAL MINDORO MANAGEMENT
7 RESOURCES CORPORATION (OMARCO) TO
8 CONSTRUCT, INSTALL, ESTABLISH, OPERATE,
9 MANAGE AND MAINTAIN A NETWORK OF
10 RADIO AND TELEVISION STATIONS
11 ANYWHERE IN THE PHILIPPINES, AND FOR
12 OTHER PURPOSES”;

13
14 (38) SECTION 8 OF REPUBLIC ACT NO. 8132
15 ENTITLED “AN ACT GRANTING JOSE M.
16 LUISON AND SONS, INC., A FRANCHISE TO
17 CONSTRUCT, INSTALL, OPERATE AND
18 MAINTAIN FOR COMMERCIAL PURPOSES
19 RADIO AND TELEVISION BROADCASTING
20 STATIONS IN THE PHILIPPINES”;

21
22 (39) SECTION 7 OF REPUBLIC ACT NO. 8144
23 ENTITLED “AN ACT GRANTING THE
24 AZIMUTH BROADCASTING CORPORATION
25 OFFRANCHISE TO CONSTRUCT, OPERATE
26 AND MAINTAIN FOR COMMERCIAL
27 PURPOSES RADIO AND TELEVISION
28 BROADCASTING STATIONS IN THE
29 PHILIPPINES”;

30
31 (40) SECTION 8 OF REPUBLIC ACT NO. 8145
32 ENTITLED “AN ACT GRANTING THE RADYO
33 PILIPINO CORPORATION AFRANCHISE TO
34 CONSTRUCT, INSTALL, OPERATE AND
35 MAINTAIN COMMERCIAL RADIO AND
36 TELEVISION BROADCASTING STATIONS,

1 SOUTHERN BROADCASTING NETWORK
2 AFRANCHISE TO CONSTRUCT, MAINTAIN,
3 ESTABLISH AND OPERATE COMMERCIAL
4 RADIO/TELEVISION BROADCASTING
5 STATIONS, IN THE PHILIPPINES”;

6
7 (42) SECTION 8 OF REPUBLIC ACT NO. 8149
8 ENTITLED “AN ACT GRANTING THE
9 TAGBILARAN BROADCASTING SYSTEM
10 AFRANCHISE TO CONSTRUCT, INSTALL,
11 OPERATE AND MAINTAIN RADIO AND
12 TELEVISION BROADCASTING STATIONS, IN
13 THE VISAYAS REGION, AND FOR OTHER
14 PURPOSES”;

15
16 (43) SECTION 8 OF REPUBLIC ACT NO. 8154
17 ENTITLED “AN ACT GRANTING PRIME
18 BROADCASTING NETWORK, INCORPORATED,
19 A FRANCHISE TO CONSTRUCT, OPERATE AND
20 MAINTAIN STATIONS FOR RADIO AND
21 TELEVISION IN THE PHILIPPINES;”

22
23 (44) SECTION 4 OF REPUBLIC ACT NO. 8158
24 ENTITLED “AN ACT EXTENDING THE
25 FRANCHISE GRANTED TO JORGE D. BAYONA
26 UNDER REPUBLIC ACT NUMBERED FIFTY-
27 SEVEN HUNDRED EIGHTY-NINE, ASSIGNING
28 IT IN FAVOR OF PBN BROADCASTING
29 NETWORK INC., AND RENEWING THE TERM
30 THEREOF FOR ANOTHER TWENTY-FIVE (25)
31 YEARS FROM THE DATE OF THE
32 EFFECTIVITY OF THIS ACT”;

33
34 (45) SECTION 8 OF REPUBLIC ACT NO. 8169
35 ENTITLED “AN ACT GRANTING GV
36 BROADCASTING SYSTEM, INC., A FRANCHISE
TO CONSTRUCT INSTALL MAINTAIN AND

1
2 (46) SECTION 5 OF REPUBLIC ACT NO. 10926
3 ENTITLED "AN ACT EXTENDING FOR
4 TWENTY-FIVE (25) YEARS THE FRANCHISE
5 GRANTED TO SMART COMMUNICATIONS,
6 INC., (FORMERLY SMART INFORMATION
7 TECHNOLOGIES, INC.) AMENDING FOR THE
8 PURPOSE REPUBLIC ACT NO. 7294, ENTITLED,
9 "AN ACT GRANTING SMART INFORMATION
10 TECHNOLOGIES INC. (SMART) A FRANCHISE
11 TO ESTABLISH, MAINTAIN, LEASE AND
12 OPERATE INTEGRATED
13 TELECOMMUNICATIONS/COMPUTER/ELECTR
14 ONIC SERVICES, AND STATIONS
15 THROUGHOUT THE PHILIPPINES FOR PUBLIC
16 DOMESTIC AND INTERNATIONAL
17 TELECOMMUNICATIONS, AND FOR OTHER
18 PURPOSES";

19
20 (47) SECTION 9 OF REPUBLIC ACT NO. 9511
21 ENTITLED "AN ACT GRANTING THE
22 NATIONAL GRID CORPORATION OF THE
23 PHILIPPINES A FRANCHISE TO ENGAGE IN
24 THE BUSINESS OF CONVEYING OR
25 TRANSMITTING ELECTRICITY THROUGH
26 HIGH VOLTAGE BACK-BONE SYSTEMS OF
27 INTERCONNECTED TRANSMISSION LINES,
28 SUBSTATIONS AND RELATED FACILITIES";

29
30 (48) SECTION 13 OF PRESIDENTIAL DECREE
31 1869 - RESTORED PER OFFICE OF THE
32 PRESIDENT MEMORANDUM DATED AUGUST
33 24, 1995 CONSOLIDATING AND AMENDING
34 PRESIDENTIAL DECREE NOS. 1067-A, 1067-B,
35 1067-C, 1399 AND 1632 RELATIVE TO THE
36 FRANCHISE AND POWERS OF THE

1 ENTITLED, "AN ACT GRANTING THE
2 PHILIPPINE RACING ACT, INC., A FRANCHISE
3 TO OPERATE AND MAINTAIN A RACE TRACK
4 FOR HORSE RACING IN THE PROVINCE OF
5 RIZAL, AND EXTENDING THE SAID
6 FRANCHISE BY 25 YEARS FROM THE
7 EXPIRATION OF THE TERM THEREOF";
8

9 (50) SECTION 12 OF REPUBLIC ACT NO. 8407
10 ENTITLED "AN ACT AMENDING RA 6631
11 ENTITLED, "AN ACT GRANTING MANILA
12 JOCKEY CLUB, INC., A FRANCHISE TO
13 CONSTRUCT, OPERATE AND MAINTAIN A
14 RACE TRACK FOR HORSE RACING IN THE
15 CITY OF MANILA OR ANY PLACE WITHIN THE
16 PROVINCES OF BULACAN, CAVITE OR RIZAL
17 AND EXTENDING THE SAID FRANCHISE BY 25
18 YEARS FROM THE EXPIRATION OF THE TERM
19 THEREOF";
20

21 (51) SECTION 9 OF REPUBLIC ACT NO. 8298
22 ENTITLED "AN ACT AMENDING REPUBLIC
23 ACT NUMBERED SEVENTY-NINE HUNDRED
24 SEVENTY-EIGHT, ENTITLED, "AN ACT
25 GRANTING THE METRO MANILA TURF CLUB,
26 INC., A FRANCHISE TO CONSTRUCT,
27 OPERATE AND MAINTAIN A RACETRACK FOR
28 HORSE RACING IN THE CITY OF KALOOKAN";
29

30 (52) SECTION 12 OF REPUBLIC ACT NO. 8446
31 ENTITLED "AN ACT GRANTING THE FIL-ASIA
32 RACING CLUB A FRANCHISE TO CONSTRUCT,
33 OPERATE AND MAINTAIN A RACETRACK FOR
34 HORSE RACING IN RIZAL OR TARLAC, OR
35 PAMPANGA OR BATANGAS OR QUEZON
36 CITY";

1 (PRESENTLY KNOWN AS NOW TELECOM
2 COMPANY, INC.) UNDER REPUBLIC ACT NO.
3 7301, ENTITLED " AN ACT GRANTING
4 INFOCOM COMMUNICATIONS NETWORK,
5 INC. (ICNI), A FRANCHISE TO CONSTRUCT,
6 ESTABLISH, OPERATE AND MAINTAIN
7 MOBILE RADIO SYSTEMS SUCH AS RADIO,
8 PAGING SYSTEMS, CELLULAR PHONE
9 SYSTEMS, PERSONAL COMMUNICATION
10 NETWORK (PCN), AND TRUNKED RADIO
11 SYSTEMS WITHIN AND WITHOUT THE
12 PHILIPPINES FOR A PERIOD OF TWENTY-FIVE
13 (25) YEARS, AND FOR OTHER PURPOSES", AS
14 AMENDED BY THE REPUBLIC ACT NO. 7940";

15
16 (58) SECTION 8 OF REPUBLIC ACT NO. 7816
17 ENTITLED "AN ACT GRANTING THE MANILA
18 BROADCASTING COMPANY A FRANCHISE TO
19 CONSTRUCT, INSTALL, OPERATE AND
20 MAINTAIN RADIO AND TELEVISION
21 BROADCASTING STATIONS WITHIN THE
22 PHILIPPINES, AND FOR OTHER PURPOSES";

23
24 (59) SECTION 8 OF REPUBLIC ACT NO. 8027
25 ENTITLED "AN ACT GRANTING A FRANCHISE
26 TO THE KAISSAR BROADCASTING NETWORK,
27 INC. (KBNI), TO CONSTRUCT, INSTALL,
28 ESTABLISH, OPERATE, MANAGE AND
29 MAINTAIN A NETWORK OF RADIO AND
30 TELEVISION STATIONS ANYWHERE IN THE
31 PHILIPPINES, AND FOR OTHER PURPOSES";

32
33 (60) SECTION 8 OF REPUBLIC ACT NO. 8032
34 ENTITLED "AN ACT GRANTING THE
35 PHILIPPINE RADIO CORPORATION A
36 FRANCHISE TO CONSTRUCT, INSTALL,
37 ESTABLISH, OPERATE AND MAINTAIN

1 SUG MEDIA CORPORATION OF THE
2 PHILIPPINES A FRANCHISE TO CONSTRUCT,
3 INSTALL, OPERATE AND MAINTAIN FOR
4 COMMERCIAL PURPOSES RADIO AND
5 TELEVISION BROADCASTING STATIONS IN
6 THE PHILIPPINES AND FOR OTHER
7 PURPOSES".

8
9 *PROVIDED, FINALLY, THAT PROVISIONS OF*
10 ALL OTHER LAWS NOT OTHERWISE
11 ENUMERATED HEREIN THAT ARE
12 INCONSISTENT WITH THE TAX AND DUTY
13 TREATMENT OF GRANTEES OF FRANCHISES
14 WITH "IN LIEU OF ALL TAXES" CLAUSES
15 UNDER THIS SECTION ARE DEEMED
16 AMENDED OR REPEALED.

17
18
19 **SEC. 37.** Title XII, entitled "Oversight Committee," of the NIRC
20 is hereby renumbered as Title XIV and amended as follows:

21 SEC. [290] 307. *Congressional Oversight Committee.* –
22 XXX
23
24
25
26

1 **SEC. 38. *Repealing Clause.*** – (A) The following provisions,
2 insofar as they provide for tax and duty incentives, are hereby
3 repealed:

4
5 (1) Section 5 of Republic Act No. (R.A.) 9379, or “An
6 Act Defining Handline Fishing, Providing Effective
7 Regulations Therefor And For Other Purposes”;

8 (2) Section 16, The Last Sentence Thereof, of R.A.
9 10601, or “An Act Promoting Agricultural And Fisheries
10 Mechanization Development In The Country”;

11 (3) Section 32 of R.A. 10654, or “An Act To Prevent,
12 Deter And Eliminate Illegal, Unreported And
13 Unregulated Fishing, Amending Republic Act No. 8550,
14 Otherwise Known As The Philippine Fisheries Code Of
15 1998, And For Other Purposes”;

16
17 (4) Section 14 (B) of R.A. 7308, or “The Seed Industry
18 Development Act Of 1992”;

19
20 (5) Section 18, 2nd and 3rd Paragraph Thereof, of
21 R.A. 7884, or “An Act Creating The National Dairy
22 Authority To Accelerate The Development Of The Dairy
23 Industry In The Philippines, Providing For A Dairy
24 Development Fund, And For Other Purposes”;

25
26 (6) Section 9 (E), (F), (I), and (J) of R.A. 7900, or “An
27 Act To Promote The Production, Processing, Marketing,
28 And Distribution Of High Value Crops, Providing
29 Funds Therefor, And For Other Purposes”;

30
31 (7) Chapter II, Article II, Sec. 35 (B), (C) and (D) of
32 R.A. 8550, or “The Philippine Fisheries Code Of 1998”;

33
34 (8) Section 24 (A) and (F) of R.A. 10068, or “An Act
35 Providing For The Development And Promotion Of

1 (9) Section 37 of R.A. 6848, or "The Charter Of The
2 Al-Amanah Islamic Investment Bank Of The
3 Philippines";

4
5 (10) Section 17 of Republic Act No. 7906 Entitled, "An
6 Act Providing For The Regulation Of The Organization
7 And Operations Of Thrift Banks, And For Other
8 Purposes;"

9
10 (11) Section 15 of R.A. 7353, or The "Rural Bank Act
11 Of 1992";

12
13 (12) Book I, Title III, Article 39 (A), (B), (C), (D), (E),
14 (G), (I), (J), (K), (M) And (N); Title IV, Article 40, Book
15 III Article 59, 60, 61, Book IV Article 69, Book VI,
16 Articles 77, 78, And 81 of Executive Order No. 226,
17 Series of 1987, or "The Omnibus Investments Code Of
18 1987";

19
20 (13) Section 1 of R.A. 7918, "An Act Amending Article
21 39, Title III The Omnibus Investments Code Of 1987,
22 As Amended";

23
24 (14) Articles 62, 63, 64, 65, 66, 67 And 69 of R.A.
25 8756, or "An Act Providing For The Terms, Conditions
26 And Licensing Requirements Of Regional Or Area
27 Headquarters, Regional Operating Headquarters,
28 Regional Warehouses Of Multinational Companies
29 Amending For The Purpose Certain Provisions Of The
30 Omnibus Investment Code Of 1987";

31
32 (15) Executive Order No. 22, s. of 2017 Amending
33 E.O. 70, s. of 2012, E.O. 528, s. of 2006 and E.O. 313, s.
34 of 2004, Entitled "Reducing The Rates Of Duty On
35 Capital Equipment, Spare Parts And Accessories
36 Imported By BOI-Registered New And Expanding

1 National Book Policy And A National Book
2 Development Plan”;

3
4 (17) Section 17, In So Far As Tax Exemption and/or
5 VAT Zero Rating On Domestic Merchandise Is
6 Concerned, and Section 18 (A), (B), (C) and (F) of
7 Presidential Decree No. 66, Entitled “Creating The
8 Export Processing Zone Authority And Revising
9 Republic Act No. 5490”;

10
11 (18) Section 4 (E) and (F), In So Far As Tax Exemption
12 and/or VAT Zero Rating On Domestic Merchandise Is
13 Concerned, of R.A. 7903, or The “Zamboanga City
14 Special Economic Zone Act Of 1995”;

15
16 (19) Section 4 (B) (C), In So Far As Tax Exemption
17 and/or VAT Zero Rating On Domestic Merchandise Is
18 Concerned, of R.A. 7922, or “An Act Establishing A
19 Special Economic Zone And Free Port In The
20 Municipality Of Santa Ana And The Neighboring
21 Islands In The Municipality Of Aparri, Province Of
22 Cagayan Providing Funds Therefor, And For Other
23 Purposes”;

24
25 (20) Section 4 of R.A. 8748, or “An Act Amending
26 Republic Act No. 7916, Otherwise Known As The
27 Special Economic Zone Act Of 1995”;

28
29 (21) Sections 23 and 24 of R.A. 7916, or “The Special
30 Economic Zone Act Of 1995”;

31
32 (22) Sections 12 (B) and (C) and Section 15, second,
33 third, and last paragraph of R.A. 7227, or “An Act
34 Accelerating The Conversion Of Military Reservations
35 Into Other Productive Uses, Creating The Bases
36 Conversion And Development Authority For This

2
1 Republic Act No. 7916, As Amended By Republic Act
2 No. 8784, In Relation To Republic Act No. 7227, As
3 Amended By Republic Act No. 9400, Inside The Clark
4 Freeport Zone”;

5
6 (24) Sections 5, 6, 7, 8 And 9 of R.A 9490, or “An Act
7 Establishing The Aurora Special Economic Zone In The
8 Province Of Aurora, Creating For The Purpose The
9 Aurora Special Economic Zone Authority, Appropriating
10 Funds Therefor And For Other Purposes”;

11
12 (25) Sections 3 (E) (F) (H) and 4 of R.A. No. 10083, or
13 “An Act Amending Republic Act No. 9490”;

14
15 (26) Section 4 (F), In So Far As Tax Exemption and/or
16 VAT Zero Rating On Domestic Merchandise and Capital
17 Equipment Are Concerned, and Sections 5, 6 and 10 of
18 R.A. 9728, or The “Freeport Area Of Bataan (FAB) Act
19 Of 2009”;

20
21 (27) Sections 12, 21, and 22 of P.D. 87 (Restored By
22 FIRB Resolution 19-87), or The “Oil Exploration And
23 Development Act”;

24
25 (28) P.D. 529 (Restored By FIRB Resolution 19-87),
26 Entitled “Granting To Petroleum Exploration
27 Concessionaires Under The Petroleum Act Of 1949
28 Exemption From Customs Duty And Compensating Tax
29 On Importations Of Machinery And Equipment, Spare
30 Parts And Materials Required For Their Exploration
31 Operations”;

32
33 (29) Section 16 (A), (B), and (C) and Section 17 (A) to
34 (E) of P.D. 972, or “The Coal Development Act Of
35 1976”;

1 (31) Section 10 (1) to (6) of R.A. 7156, or The "Mini-
2 Hydroelectric Incentive Act";

3
4 (32) Section 9 of R.A. 8479, or The "Downstream Oil
5 Industry Deregulation Act Of 1998";

6
7 (33) Section 6, Fifth Paragraph of R.A. 9136, or the
8 "Electric Power Industry Reform Act Of 2001";

9
10 (34) Chapter VII, Section 15 Except (H), Sections 19,
11 21 (A) to (D), and 23 of R.A. 9513, or "An Act
12 Promoting The Development, Utilization And
13 Commercialization Of Renewable Energy Resources
14 And For Other Purposes";

15
16 (35) Section 6 (A) (B) of R.A. 9367, or "An Act To
17 Direct The Use Of Biofuels, Establishing For This
18 Purpose The Biofuel Program, Appropriating Funds
19 Therefore, And For Other Purposes";

20
21 (36) Sections 36 (E) and (F) of P.D. 705 Entitled,
22 "Revising P.D. 389, Or The 'Revised Forestry Code Of
23 The Philippines'";

24
25 (37) Section 45 (b) (1) (c) of R.A. 9003, Entitled "An
26 Act Providing For An Ecological Solid Waste
27 Management Program, Creating The Necessary
28 Institutional Mechanisms And Incentives, Declaring
29 Certain Acts Prohibited And Providing Penalties,
30 Appropriating Funds Therefor And For Other Purposes";

31
32 (38) The Fiscal Incentives in Section 26 A (1) to (3) of
33 R.A. 9275, or The "Philippine Clean Water Act Of
34 2004";

35
36 (39) Sections 16 and 17 of R.A. 7844, or The "Export

1 Philippine Halal Export Development And Promotion
2 Board, And For Other Purposes”;

3
4 (41) Section 14 of R.A. 8423, or “An Act Creating The
5 Philippine Institute Of Traditional And Alternative
6 Health Care (PITAHC) To Accelerate The Development
7 Of Traditional And Alternative Health Care In The
8 Philippines, Providing For A Traditional And
9 Alternative Health Care Development Fund And For
10 Other Purposes”;

11
12 (42) Section 20 (D) (1) to (5) of R.A. 10884, or “An Act
13 Strengthening The Balanced Housing Development
14 Program, Amending For The Purpose Republic Act No.
15 7279, Or ‘The Urban Development And Housing Act Of
16 1992”;

17
18 (43) Section 10 of R.A. 7718, or “An Act Amending
19 Certain Sections Of R.A. 6957, Entitled ‘An Act
20 Authorizing The Financing, Construction, Operation
21 And Maintenance Of Infrastructure Projects By The
22 Private Sector, And For Other Purposes”;

23
24 (44) Section 6 (C) (D) (F) and Sections 7 and 8 of R.A.
25 7103, or “An Act To Strengthen The Iron And Steel
26 Industry And Promote Philippine Industrialization And
27 For Other Purposes”;

28
29 (45) Section 3 (A) to (D) and (H) of R.A. 8502, or “The
30 Jewelry Industry Development Act Of 1998”;

31
32 (46) Section 5 (A) (B) of R.A. 10771, or “An Act
33 Promoting The Creation Of Green Jobs, Granting
34 Incentives And Appropriating Funds Therefor”;

35
36 (47) Section 7-B (h) (10) of R.A. 6977 or the “Magna

1 Enterprises (BMBES), Providing Incentives And
2 Benefits Therefor, And For Other Purposes”;

3
4 (49) Chapter XV, Section 83; Chapter XVI, Sections
5 90, 91, 92, 93 of R.A. 7942, or The “Philippine Mining
6 Act Of 1995”;

7
8 (50) Chapter II, Section 4 and Chapter VIII, Section 19
9 of R.A. 9295, or The “Domestic Shipping Development
10 Act Of 2004”;

11
12 (51) Section 6 of R.A. 7471, As Amended, or The
13 “Philippine Overseas Shipping Development Act”;

14
15 (52) Subchapter V-A, Sections 86, 88, And 95 (A) and
16 (B) of R.A. 9593, or The “Tourism Act Of 2009”;

17
18 (53) Section 8, Second and Third Paragraphs Thereof,
19 of R.A. 10816, or “An Act Providing For The
20 Development And Promotion Of Farm Tourism In The
21 Philippines”;

22
23 (54) Sections 8 and 9, In So Far As Tax Exemption and
24 VAT Zero Rating of Domestic Merchandise, of P.D. 538
25 Entitled, “Creating And Establishing The Phividec
26 Industrial Authority And Making It A Subsidiary
27 Agency Of The Philippine Veterans Development
28 Corporation, Defining Its Powers, Functions And
29 Responsibilities, And For Other Purposes”, as amended
30 by P.D. No. 1491;

31
32 (55) Section 1 (1.1) of E.O. 97-A s. of 1993 Entitled,
33 “Further Clarifying The Tax And Duty-Free Privilege
34 Within The Subic Special Economic And Free Port
35 Zone”;

1 Republic Act No. 9490, Or 'The Aurora Special
2 Economic Zone Act Of 2007";

3
4 (57) Section 5 (5.1) and (5.2) of E.O. 290 Entitled,
5 "Implementing The Natural Gas Vehicle Program For
6 Public Transport";

7
8 (58) Sections 18 and 20 of R.A. 6847 Entitled, "An
9 Act Creating And Establishing The Philippine Sports
10 Commission, Defining Its Powers, Functions, And
11 Responsibilities, Appropriating Funds Therefor, And For
12 Other Purposes";

13
14 (59) Section 10 of P.D. 1174, Amending P.D. 972, or
15 The "Coal Development Act Of 1976";

16
17 (60) Section 23 of R.A. 7925, or "An Act To Promote
18 And Govern The Development Of Philippine
19 Telecommunications And Delivery Of Public
20 Telecommunications Services";

21
22 (61) Section 42 (C) of R.A. 7277, or "An Act Providing
23 For The Rehabilitation, Self-Development And Self-
24 Reliance Of Disabled Persons And Their Integration Into
25 The Mainstream Society And For Other Purposes";

26
27
28 (B) Section 22 of R.A. 9337 is hereby repealed in relation to the
29 amendment of Section 119 of the NIRC as provided for in this Act.

30
31 (C) The provisions on Investment Priority Plan (IPP) under Chapter
32 I, Article 26 and Chapter II of E.O. 226 s. of 1987, or the "Omnibus
33 Investments Code of 1987," are hereby repealed.

34
35 (D) All other laws, decrees, executive orders, rules and regulations,
36 or parts thereof which are contrary to or inconsistent with this Act.

1 impair, or invalidate the remainder of said Code, but shall be
2 confined in its operation to the clause, sentence, paragraph, or part
3 thereof directly involved in the controversy.

4
5 **SEC. 40.** *Implementing Rules and Regulations.* – Within thirty
6 (30) days from the effectivity of this Act, the Secretary of Finance
7 shall, upon the recommendation of the Commissioner of Internal
8 Revenue and consultations with the Department of Trade and
9 Industry, promulgate the necessary rules and regulations for its
10 effective implementation.

11
12 **SEC. 41.** *Effectivity.* – This Act shall take effect on January 1,
13 2019 or fifteen (15) days following its publication in the *Official*
14 *Gazette* or in a newspaper of general circulation, whichever is
15 earlier.

Approved,