

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City



SEVENTEENTH CONGRESS
Third Regular Session

HOUSE BILL No. **8542**

Introduced by
ACT Teachers Party-List Rep. ANTONIO L. TINIO and Rep. FRANCE L. CASTRO

AN ACT
EXEMPTING FROM INCOME TAX THE COMPENSATION GIVEN
TO PERSONS RENDERING ELECTION SERVICE FOR LOCAL OR NATIONAL ELECTIONS

EXPLANATORY NOTE

This bill seeks to exempt from income tax the compensation rendered by poll workers in local or national elections under the *Election Service Reform Act* or Republic Act 10756.

The ESRA significantly increased the honoraria, allowances, and other compensation of volunteers for election service, most of whom are still public school teachers who sit as members of the Boards of Election Inspectors. However, the law is silent as to the tax treatment of such compensation.

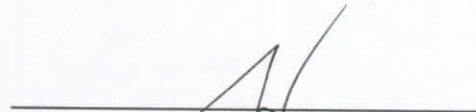
While there should be no change in the tax treatment of the honoraria and other compensation for election service—which have never been subjected to income tax prior to the passage of ESRA and the 2018 Barangay and Sangguniang Elections—recent rules and regulations of the Bureau of Internal Revenue reversed the situation and considered the election compensation as income.

This destroys the spirit and intent of the ESRA, which is to compensate the hardships of persons rendering election service. They must therefore enjoy their compensation in full and not bear additional burdens. It should be noted that volunteers for election service exhaust their honoraria and allowances for travel, food, and other expenses before or during the election day because they are required to attend the trainings, deliver the election paraphernalia to and from the COMELEC offices and the precincts, and perform other election-related tasks. They are even forced to augment what they get from COMELEC out of their own personal funds.

Hence, there is an urgent need to enact this bill to clarify the BIR rules and regulations as regards the election compensation and to expressly exempt the persons rendering election service for local or national elections.

For the above-cited reasons, approval of this bill is earnestly sought.


Rep. ANTONIO L. TINIO
ACT Teachers Party-List


Rep. FRANCE L. CASTRO
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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

Section 1. All compensation received by persons rendering election service in national or local elections as defined under *Election Service Reform Act* or Republic Act 10756 shall not be included in the computation of gross income and shall be exempt from income tax.

Section 2. *Implementing Rules and Regulations.* – The Commissioner of the Bureau of Internal Revenue shall promulgate such rules and regulations as may be necessary to implement the provisions of this Act within ninety (90) days after the effectivity of this Act.

Section 3. *Repealing Clause.* – Any provision of laws, orders, agreements, rules, or regulations contrary to and inconsistent with this Act is hereby repealed, amended or modified accordingly.

Section 4. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication either in the *Official Gazette*, or in at least two (2) newspapers of general circulation.

Approved,