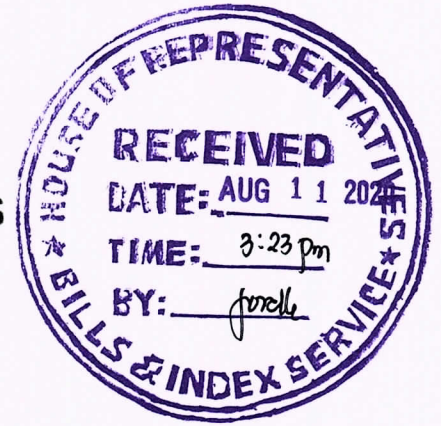




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



Eighteenth Congress
First Regular Session

HOUSE BILL NO. 7351

Introduced by Representative Luisa Lloren Cuaresma

AN ACT
EXEMPTING FROM TAXATION FOR THE TAXABLE YEAR TWO
THOUSAND TWENTY ALL MEDICAL AND NON-MEDICAL
FRONTLINERS WHO ARE DIRECTLY SERVING, TREATING,
CARING, AIDING AND ASSISTING COVID-19 PATIENTS

EXPLANATORY NOTE

As the COVID-19 pandemic attacks the whole world, everyone is being asked to contribute something that would at least lessen the effects and impact of the disease. People rise together to counter and fight this virus which origin and cure are still unknown, but has a far reaching effect to the lives of every individual and the economy of every country.

In the Philippines, working hand in hand with the government at the forefront of the fight against the COVID-19 virus are our healthcare workers and various frontliners. From the very first day that the disease had invaded and threatens the lives of every Filipino, medical and non-medical frontliners bravely faced and fought the hazard of infection to prevent the spread of the virus. As the pandemic sweeps through the country, these so-called modern day heroes do not hesitate to leave their own family and risk their own lives in order to protect other people. Despite the fact that a considerable number of doctors and health workers have succumbed to this dreadful disease, our frontliners still continued to abide by their sworn duty to the best of their abilities and judgment, to prevent diseases and provide the health care services to people need during this pandemic, even if it entails stepping out of the comfort to take the challenge and the risk of getting the disease.

By way of recognition to the invaluable contribution of our frontliners who put themselves in harm's way every day to attend to the needs of the COVID-19 patients, this bill seeks to exempt the frontliners from income tax for the taxable year 2020.

This same bill is also a simple way for the government to express its gratitude and appreciation for the courage and dedication being shown by all our country's frontliners in the face of this pandemic posed by the corona virus disease.

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


LUISA LLOREN CUARESMA



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

Section 1. *Short Title.* – This act shall be known as the “*Handog sa mga Bayaning Lumalaban Kontra COVID-19 Act*”

Section 2. *Definition of Terms.* – As used in this Act, the following terms shall mean:

- a. Income – refers to the amount of salary and/or compensation being received by medical frontliners who are working or employed in a medical institution.
- b. Frontliners – refer to persons who are: (1) engaged in health-related services and (2) working or employed in hospitals, clinics, or other medical institutions whether public or private, which accept or treat patients infected with COVID-19. The term shall likewise include administrative employees, support personnel and staff of the health institution, regardless of their employment status.

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4 c. Medical institution – refers to any public or private hospitals, clinics
5 or other facilities that test, accept and treat patients afflicted with
6 COVID-19.

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8 d. Tax Exemption – an exemption from the payment of income tax for a
9 period of one (1) year granted to frontliners.

10 Section 3. *Exemption from Income Tax.* – All medical frontliners shall be
11 exempted from paying their income tax for a period of one (1) year for the
12 taxable year two thousand twenty (2020). Notwithstanding such exemption,
13 however, and subject to the pertinent regulations of the Bureau of Internal
14 Revenue, non-medical and medical frontliners are still required to file their
15 Percentage Tax Return, VAT Return, and Quarterly Income Tax Return to their
16 respective Revenue District Offices.
17

18 Section 4. *Coverage of the Tax Holiday.* – The exemption granted in this
19 Act shall only cover the salary or compensation, as well as the gross receipts
20 from the exercise of profession or employment received by a frontliner for the
21 Taxable Year 2020. The Tax Holiday shall not include those income received
22 by the frontliners from their other businesses, investments, and other kinds of
23 passive income not related to serving, treating, caring, aiding and assisting
24 COVID-19 patients.
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26 Section 5. *Extension of the Tax Holiday.* – The Secretary of the
27 Department of Finance is hereby given the authority to extend, for a period of
28 not more than six (6) months, the exemption from payment of income tax to
29 qualified frontliners based on the decision of the President of the Philippines
30 upon the recommendation of the Inter-Agency Task Force.
31

32 Section 6. *Rules and Regulations.* – Within thirty (30) days from the
33 effectivity of this Act, the Bureau of Internal Revenue, in coordination with the
34 concerned government agencies, shall issue and implement the necessary rules
35 and regulations in compliance with this Act.
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37 Section 7. *Repealing Clause.* – All laws, decrees, executive issuances,
38 rules and regulations contrary or inconsistent with this Act are hereby repealed,
39 amended or modified accordingly.
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3 Section 8. *Effectivity Clause.* – This Act shall take effect fifteen (15) days
4 after its publication in any newspaper of general circulation.

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7 Approved,