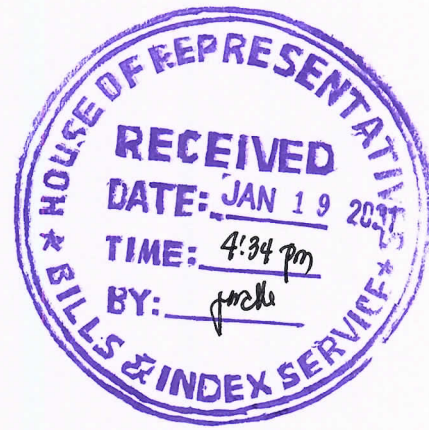


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 8427



Introduced by Representative Ron P. Salo

EXPLANATORY NOTE

Article II, Section 17 of the 1987 Constitution declares as a policy of the State to give priority to education, science and technology, arts, culture, and sports to foster patriotism and nationalism, accelerate social progress, and promote total human liberation and development. The framers of the Constitution have recognized the importance of promoting sports among the people, especially the youth.

Sports is an important cultural and development tool. It is one of, if not the most predominant, pastimes of Filipinos. Whether as an athlete, leisure player, or spectator, each and every Filipino has engaged in any sport one way or another. Its significance in society is very evident when there are major sporting events like the PBA Games, or every time our National Pride, Senator Manny Pacquiao, is fighting. Many people will dedicate their time to watch these sporting events.

In recognition of the value of sports, the *Palarong Pambansa* is being held every year to showcase the talents of our athletes from all over the country. Many of the renowned athletes have been discovered while playing for their respective regions in the *Palarong Pambansa*. Those that compete in the *Palarong Pambansa* will eventually represent the country in international games like the Olympics, Asian Games, and Southeast Asian Games among others.

However, the country has been unable to consistently produce athletes that can match with the rest of the world in international competitions. This might be a result of the lack of infrastructure and investments for the superior training and nutrition of our athletes that they may be at par with the best of the world. Thus, there is a need for the State to devise mechanisms that will increase our athletes' chances of succeeding in international competitions.

This bill proposes to provide mechanisms to entice sponsors and donors to invest in the *Palarong Pambansa* by providing exemptions in taxes and duties of transactions in support of the games. This will encourage investments and sponsorships of the games that will benefit the training and development of our young athletes who will eventually bring pride and honor to our country once they succeed in the international stage.

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



RON P. SALO
KABAYAN Party List

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 8427

Introduced by Representative Ron P. Salo

AN ACT PROVIDING TAX AND CUSTOMS DUTY EXEMPTIONS TO THE REVENUES OF, AND SPONSORSHIPS, GIFTS AND DONATIONS TO, THE PALARONG PAMBANSA, AMENDING FOR THE PURPOSE SECTION 20 OF REPUBLIC ACT NO. 10588, OTHERWISE KNOWN AS THE "PALARONG PAMBANSA ACT OF 2013"

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

SECTION 1. Section 20 of Republic Act No. 10588. – Section 20 of RA No. 10588 shall now read as:

"SEC. 20. Appropriations and Tax Exemptions. – Funds for the operations of the *Palarong Pambansa* shall be included under the budget of the Department of Education in the annual General Appropriations Act, *provided*, that the Board may formulate schemes to entice sponsors and donors to invest in *Palaro* activities:

a) **Appropriations.** – The amount currently appropriated in the General Appropriations Act for the conduct of the *Palarong Pambansa* including pre-national *Palaro* activities under the DepED shall be allocated and utilized for the initial implementation of this Act. Thereafter, such amount as may be necessary for its continued implementation shall be included under the budget of the DepED in the annual General Appropriations Act.

b) **Tax Exemptions.** – Provisions of any general or special law to the contrary notwithstanding:

1) All revenues and assets by the *Palarong Pambansa*, as certified by the Board, from sponsorships, merchandising and royalty agreements, emoluments, donations, the use of competitions as content for multimedia and social media exhibition and broadcast, sports competitions or from other activities in support thereof shall be exempt from all taxes and duties;

2) Upon certification of the *Palarong Pambansa* Board, sponsorships, gifts and donations of real and personal properties of all kinds shall be exempt from the donor's tax and the same shall be considered as allowable deductions from the gross income of the donor, in accordance with the provisions of the National Internal Revenue Code of 1997, as amended: *Provided*, That the allowable deductions shall be equivalent to 150% of the value of such donation. Valuation of assistance other than money shall be based on the acquisition cost of the property or goods donated. Such valuation shall take into consideration the depreciated value of property in case said property or goods has been used;

3) Importation of equipment and other goods for purposes of all *Palarong Pambansa* activities, competitions, trainings and sports rehabilitation certified by the Board shall be exempt from duties;

4) The *Palarong Pambansa* shall not be subject to value-added tax in all transactions entered into as certified by the Board; and

5) All incentives and rewards shall be exempt from taxes.”

SEC. 2. Implementing Guidelines. – The Bureau of Internal Revenue shall issue the necessary guidelines to implement the provisions of this law in order to achieve its avowed objectives within ninety (90) from the approval of this law.

SEC. 3 Repealing Clause. – All laws, decrees, orders, rules, and regulations or other issuances or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 4. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or any two (2) newspapers of general circulation in the Philippines.

Approved.