

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 9858



Introduced by **HON. LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR.**

AN ACT
EXEMPTING THE DONATION OF VACCINES, CRITICAL PRODUCTS,
ESSENTIAL GOODS, EQUIPMENT OR SUPPLIES NEEDED TO CONTAIN AND
MITIGATE COVID-19 FROM DONOR'S TAX AND FOR OTHER PURPOSES

COVID-19 vaccination is considered the best chance we have to transition out of the pandemic. It is widely believed by our scientist that natural herd immunity would not have been sufficient to return to normal. This is echoed by the World Health Organization.

However, the Philippines is still barely rolling out its immunization program against COVID-19. There remains a need for an effective delivery of vaccines including needles, storage equipment and other instruments.

This proposed measure ensures an easier acceptance of vaccines, including equally essential equipment, supplies and other goods necessary for its administration. The bill seeks to exempt these donations from donor's tax for a definite period, subject to certain conditions.

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


LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR.

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

SEC. 1. *Exemption from Donor's Tax.* – Beginning January 1, 2021 to December 31, 2023, donations to or for the use of the government or any of its political subdivisions and private entities of the following articles pertaining to the containment or mitigation of COVID-19 shall be exempt from donor's tax:

- I. Capital equipment, its spare parts and raw materials necessary for the production of personal protective equipment (PPE) components such as coveralls, gown, surgical cap, surgical masks, N-95 mask, scrub suits, goggles and face shield, double or surgical gloves, dedicated shoes, and shoe covers, for COVID-19 prevention;
- II. All drugs, vaccines and medical devices specifically prescribed and directly used for the treatment of COVID-19: *Provided*, that within sixty (60) days from the effectivity of this Act, and every three (3) months thereafter, the Department of Health (DOH) shall issue a list of prescription drugs and medical devices covered by this provision;
- III. Drugs for the treatment of COVID-19 approved by the FDA for use in clinical trials. Including raw materials directly necessary for the production of such drugs: *Provided*, that the Department of Trade and Industry (DTI) shall certify that such equipment, spare parts or raw materials being donated are not locally available or insufficient in quantity, or not in accordance with the quality or specification required;
- IV. Equipment for waste management, including, but not limited to, waste segregation, storage, collection, sorting, treatment and disposal services as approved by the Department of Environment and Natural Resources (DENR), DOH or other concerned regulatory agencies; and
- V. Such other supplies or equipment as determined by the DOH and the DTI. *Provided*, that for purposes of the exemption, the donated articles shall not be

intended for commercial use and shall be for free distribution to or use for the containment or mitigation of COVID-19. Any resale of the donated articles shall be prohibited: *Provided*, further, that the Department of Finance (DOF) and the Bureau of Internal Revenue (BIR) shall Issue the necessary guidelines governing donations to private entities: *Provided*, furthermore, that the exemption claimed under this section shall be subject to post audit by the BIR or the Bureau of Customs (BOC), as may be applicable: *Provided*, finally, that the donations shall be subject to the rules of deductibility pursuant to the provisions of the National Internal Revenue Code, as amended and applicable rules and Issuances of the BIR.

SEC. 2. *Implementing Rules and Regulations (IRR)*. – The DOF and DOH, in coordination with the DTI, BIR, BOC and other relevant agencies shall promulgate the pertinent implementing rules and regulations within 30 days from effectivity of this Act.

SEC. 3. *Repealing Clause*. – All laws, issuances, orders, rules and regulations, or parts thereof, which are contrary or inconsistent with this Act are hereby repealed, amended or modified accordingly.

SEC. 4. *Separability Clause*. – If any provision of this Act is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

SEC. 5. *Effectivity Clause*. – This Act shall take effect fifteen (15) days after publication in a newspaper of general circulation or in the Official Gazette.

Approved,