

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Third Regular Session

House Bill No. 9899



Introduced by

HON. RODOLFO "OMPONG" M. ORDANES, and HON. RODANTE D. MARCOLETA

EXPLANATORY NOTE

On 26 July 2021, Staff Sergeant Hidilyn Diaz finally ended the 97-year wait of the Philippines for an Olympic gold medal when she triumphed in the women's 55-kilogram weightlifting in the Tokyo 2020 Olympics. Due to her victory, various private companies and individuals have pledged incentives, benefits, gifts, and other emoluments to Staff Sergeant (SSgt) Diaz as a reward for her making history and bringing an unprecedented honor to the Philippines. These incentives, benefits, gifts, and other emoluments will prove to be a significant help in improving the life and welfare of SSgt Diaz, as well as helping her prepare for her next Olympics. Similar to SSgt Diaz, our other national athletes will derive a significant benefit and incentive in their quest for an Olympic medal for the country if they are given an opportunity to have these incentives, benefits, gifts, and other emoluments.

However, our current laws disincentivize private corporations and individuals from extending help and incentives to our national athletes and significantly lower incentives, benefits, gifts, and other emoluments they may receive as an incentive and rewards from the said private corporations and individuals. Under the 32(B)(7)(d) of the Republic Act (RA) No. 8424, otherwise known as the Tax Reform Act of 1997, as amended, (Tax Code), the tax exemption on all prizes and awards granted to athletes in international sports competitions sanctioned by their respective national sports associations is only applicable if it was given by the said international sports competition. Thus, donations, gifts, and other emoluments that our national athletes receive from private corporations and individuals as a reward for their performance in international sports competitions are subjected to tax including the 6% donor's tax for amounts over Php 250,000, as required by Section 99 of the Tax Code.

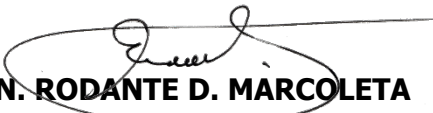
The proposed measure seeks to extend the tax exemption privilege accorded to national athletes who won in international sports competitions to include donations, gifts, and other emoluments given to them by private corporations and individuals. Through this measure, we make our taxation environment conducive for private corporations and individuals to extend benefits and incentives to our national athletes who bring honor to the country by winning in their respective international sports competitions. This will not just improve the welfare of our athletes but will also further promote excellence in sports. This privilege we are extending is a small price to pay for the sacrifices our national athletes give to our nation to bring honor to it.

In view of this, the passage of this bill is sought.

Adopted,



HON. RODOLFO "OMPONG" M. ORDANES
Party-List Representative, Senior Citizens



HON. RODANTE D. MARCOLETA
Party-List Representative, SAGIP

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Introduced by
HON. RODOLFO "OMPONG" M. ORDANES, and HON. RODANTE D. MARCOLETA

AN ACT EXEMPTING ALL INCENTIVES, BENEFITS, GIFTS, AND OTHER EMOLUMENTS GIVEN TO NATIONAL ATHLETES BY REASON OF WINNING AN INTERNATIONAL SPORTS COMPETITION FROM THE PAYMENT OF INCOME, AND OTHER FORMS OF TAXES, AND FOR OTHER PURPOSES

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

Sec 1. Short Title. – This Act shall be known as the "National Athletes Tax Privilege Act."

Sec. 2. Declaration of Policy. – It is the prime duty of the State to uplift the welfare of national athletes and ensure excellence in sports by maximizing the amount of incentives, benefits, gifts, and other emoluments that they receive for winning in international sports competitions and bringing honor and recognition to the country.

Sec. 3. Definition of Terms. – For purposes of this Act, the following terms shall be defined as follows:

- a. *National athletes* shall refer to athletes including persons with disabilities who are Filipino citizens, members of the national training pool, recognized and accredited by the Philippine Olympic Committee (POC) and the PSC, including athletes with disabilities

(AWD) who are recognized and accredited by the NPC PHIL and the PSC and who have represented the country in international sports competitions;

- b. *Athletes with disabilities* shall refer to persons with disabilities, as defined under Republic Act No. 7277, otherwise known as the "Magna Carta for Disabled Persons", as amended, who are Filipino citizens, recognized and accredited by the Philippine Sports Commission (PSC) and the National Paralympic Committee of the Philippines (NPC PHIL), and who have represented the country in international sports competitions; and
- c. *International sports competitions* shall refer to international sports competitions under the following categories:
 - 1. Regular major competitions such as the Summer Olympic Games, Winter Olympic Games, Asian Games, Asian Winter Games, Southeast Asian (SEA) Games, Youth Olympic Games, Paralympic Games, Asian Park Games, Asian Indoor and Martial Arts Games, Asian Beach Games, and Association of Southeast Asian Nations (ASEAN) Para Games;
 - 2. World-level championships held at least every two (2) years with at least forty-five (45) countries participating by sport;
 - 3. Asian-level competitions held at least every two (2) years with at least twenty-five (25) countries participating by sport; and
 - 4. Qualifying competitions for World-level games with at least ten (10) countries participating/

Sec. 4. Tax Exemption for National Athletes – National athletes and other athletes who are not officially or currently members of the national training pool but who have otherwise represented the country in international sports competitions, who win gold, silver, and bronze medals in international sports competitions shall be exempt from the payment of income and other taxes on all incentives, benefits, gifts, and other emoluments they receive from corporations and individuals, whether private or public, for winning in their respective international sports competition. Provided, that the donors of said incentives, benefits, gifts, and other emoluments shall be exempt from the payment of donor's tax.

Provided further, that the aforementioned tax exemptions shall be availed within six (6) months from the culmination of their international sports competitions where the athletes have won.

Provided finally, that the benefits herein provided shall cover all international sports competition from the year 2021 onwards.

Sec. 5. Separability Clause. – If any part or provision of this Act shall be declared unconstitutional or invalid, other provisions hereof which are not affected thereby shall continue to be in full force and effect.

Sec. 6. Repealing Clause. – All laws, presidential decrees, executive orders, rules and regulations, other issuances, and parts thereof, which are inconsistent with the provisions of this Act, are hereby repealed or modified accordingly.

Sec. 7. Effectivity. – This Act shall take effect fifteen (15) days following its publication in two (2) newspapers of general circulation.

Approved,