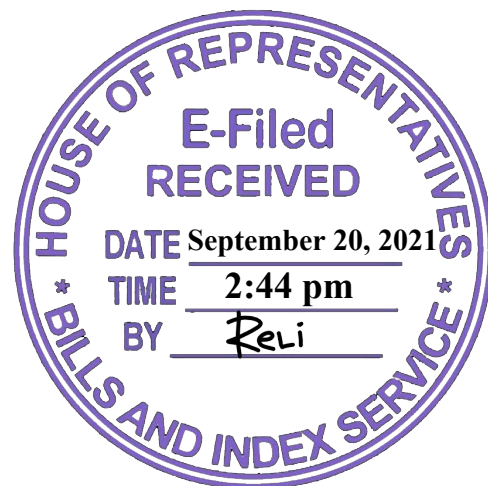


Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
Third Regular Session

**HOUSE BILL No. 10253**



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**Introduced by**  
**BAYAN MUNA Representatives FERDINAND R. GAITE,**  
**CARLOS ISAGANI T. ZARATE, and EUFEMIA C. CULLAMAT,**  
**ACT TEACHERS Party-List Representative FRANCE L. CASTRO,**  
**GABRIELA Women's Party Representative ARLENE D. BROSAS**  
**and KABATAAN Party-List Representative SARAH JANE I. ELAGO**

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**AN ACT**  
**IMPOSING A 'SUPER-RICH TAX' ON INDIVIDUALS WITH NET VALUE ASSETS**  
**EXCEEDING ONE BILLION PESOS (P1,000,000,000.00), AMENDING FOR THE**  
**PURPOSE CERTAIN PROVISIONS OF THE NATIONAL INTERNAL REVENUE**  
**CODE OF 1997 OR REPUBLIC ACT 10963 AS AMENDED**

**EXPLANATORY NOTE**

In 2018, a scandalously minuscule 0.8 percent of Filipino families have a monthly income of one hundred forty thousand (140,000) to eight (8) million pesos. Only 596 Filipinos corner most of the country's wealth, with each having approximately Php2.5 billion or more in riches.

With these large incomes, the 50 wealthiest Filipinos' net worth grew by 30% to PhP4 trillion even amidst a raging pandemic. By 2021, the 17 wealthiest in our country made it to the Annual Forbes List of the world's richest individuals.

On the other hand, 29 percent or over six million Filipino families live on a monthly income of ten thousand pesos or less. For 2 decades the basic salaries and wages of workers nationwide was virtually stagnant, slightly increasing only to adjust for inflation.

This large difference in incomes result in a similarly large difference in wealth, with the richest 50 owning more wealth than the poorest 71 million Filipinos combined or one-half of the one-hundredth of a percent (0.005%) of the population owning as much as the poorest two-thirds (65%).

Philippine taxation for the longest time has been largely collected from what people pay for, what they consume, or from what they earn, and have never implemented a tax on large fortunes.

Hence, this bill proposes a tax on the super-rich. A tax of 1% on wealth above Php1 billion, 2% on wealth above Php2 billion, and 3% over Php3 billion is hereby proposed. This tax will raise Php236.7 billion annually just from the 50 richest Filipinos alone who by any standard are those who can best afford to pay much higher taxes.

The billions in revenue from this tax would aid the government in pursuing its anti-poverty measures and other social programs that would help in closing the widening divide between

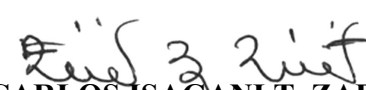
1 the rich and the poor.

2 This tax would further help shift the burden away from regressive consumption taxes towards  
3 the handful of the wealthiest who are capable of contributing more to our public coffers.

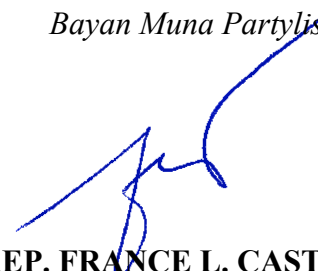
4 For this reason, support for this bill is earnestly sought.

5  
6 *Approved,*

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13 **REP. FERDINAND R. GAITE**  
14 *Bayan Muna Partylist*

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19 **REP. CARLOS ISAGANI T. ZARATE**  
20 *Bayan Muna Partylist*

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23 **REP. EUFEMIA C. CULLAMAT**  
24 *Bayan Muna Partylist*

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27 **REP. FRANCE L. CASTRO**  
28 *ACT Teachers Partylist*

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31 **REP. ARLENE D. BROSAS**  
32 *GABRIELA Women's Party*

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35 **REP. SARAH JANE I. ELAGO**  
*Kabataan Partylist*

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2 **HOUSE OF REPRESENTATIVES**  
3 Quezon City

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5 **EIGHTEENTH CONGRESS**  
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15 **and KABATAAN Party-List Representative SARAH JANE I. ELAGO**

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16  
17 **AN ACT**  
18 **IMPOSING A ‘SUPER-RICH TAX’ ON INDIVIDUALS WITH NET VALUE ASSETS**  
19 **EXCEEDING ONE BILLION PESOS (P1,000,000,000.00), AMENDING FOR THE**  
20 **PURPOSE CERTAIN PROVISIONS OF THE NATIONAL INTERNAL REVENUE**  
21 **CODE OF 1997 OR REPUBLIC ACT 10963 AS AMENDED**  
22  
23

24 *Be it enacted by the Senate and House of Representatives of the Republic of the Philippines in*  
25 *Congress assembled:*  
26

27 **SECTION 1. *Title.*** This act shall be known as the “Super-Rich Tax Act of 2021.”  
28

29 **SECTION 2.** The National Internal Revenue Code of 1997 is hereby amended by the insertion  
30 of the following section to be designated as Sec. 27 as follows:  
31

32 **“SEC. 27. *INDIVIDUAL WEALTH TAX.* –**

33 **(A) AN INDIVIDUAL WEALTH TAX IS HEREBY IMPOSED**  
34

35 **(1) ON THE NET VALUE OF ALL TAXABLE ASSETS OF THE**  
36 **TAXPAYER AS DEFINED IN SEC. 33 OF THIS CODE,**  
37 **PROVIDED THAT THE NET VALUE OF TAXABLE ASSETS**  
38 **OF THE TAXPAYER EXCEEDS ONE BILLION PESOS**  
39 **(P1,000,000,000.00) AS DEFINED IN SUBSECTION (B) OF THIS**  
40 **SECTION, DERIVED FROM EACH TAXABLE YEAR FROM**  
41 **ALL SOURCES WITHIN AND WITHOUT THE PHILIPPINES**  
42 **BY EVERY INDIVIDUAL CITIZEN OF THE PHILIPPINES**  
43 **RESIDING THEREIN;**  
44

45 **(2) ON THE NET VALUE OF ALL TAXABLE ASSETS OF THE**  
46 **TAXPAYER AS DEFINED IN SEC. 33 OF THIS CODE,**  
47 **PROVIDED THAT THE NET VALUE OF TAXABLE ASSETS**  
48 **OF THE TAXPAYER EXCEEDS ONE BILLION PESOS**  
49 **(P1,000,000,000.00) AS DEFINED IN SUBSECTION (B) OF THIS**  
50 **SECTION, DERIVED FROM EACH TAXABLE YEAR FROM**

ALL SOURCES WITHIN THE PHILIPPINES BY AN INDIVIDUAL CITIZEN OF THE PHILIPPINES WHO IS RESIDING OUTSIDE OF THE PHILIPPINES INCLUDING OVERSEAS CONTRACT WORKERS REFERRED TO IN SUBSECTION(C) OF SECTION 23 HEREOF; AND

(3) ON THE NET VALUE OF TAXABLE ASSETS OF THE TAXPAYER AS DEFINED IN SECTION 33 OF THIS CODE, PROVIDED THAT THE NET VALUE OF TAXABLE ASSETS OF THE TAXPAYER EXCEEDS ONE BILLION PESOS (P1,000,000,000.00) AS DEFINED IN SUBSECTION (B) OF THIS SECTION, OTHER THAN ASSETS SUBJECT TO TAX UNDER SUBSECTIONS (B), (C), (D) OF SECTION 24 HEREOF, DERIVED FOR EACH TAXABLE YEAR FROM ALL SOURCES WITHIN THE PHILIPPINES BY AN INDIVIDUAL ALIEN WHO IS A RESIDENT OF THE PHILIPPINES.

(B) RATES OF TAXABLE WEALTH OF INDIVIDUALS – THE TAX SHALL BE COMPUTED IN ACCORDANCE WITH AND AT THE RATES ESTABLISHED IN THE FOLLOWING SCHEDULE:

**TAX SCHEDULE EFFECTIVE JANUARY 1, 2022 ONWARDS:**

WEALTH ABOVE P1,000,000,000.....1%

WEALTH ABOVE P2,000,000,000.....2%

WEALTH ABOVE P3,000,000,000.....3%

FOR MARRIED INDIVIDUALS, THE HUSBAND AND WIFE, SHALL COMPUTE SEPARATELY THEIR INDIVIDUAL WEALTH TAX BASED ON THEIR RESPECTIVE TOTAL TAXABLE ASSETS: PROVIDED THAT IF ANY ASSET CANNOT BE ATTRIBUTED TO OR IDENTIFIED AS WEALTH EXCLUSIVELY ACCUMULATED OR REALIZED BY EITHER OF THE SPOUSES, THE SAME SHALL BE DIVIDED EQUALLY BETWEEN THE SPOUSES FOR THE PURPOSE OF DETERMINING THEIR RESPECTIVE TAXABLE WEALTH.

**SECTION 3.** The National Internal Revenue Code of 1997 is hereby further amended by the insertion of the following section to be designated as Sec. 33 under Title II, Chapter VI:

**“TITLE II  
CHAPTER VI**

**SEC. 33. *SUPER-RICH TAX DEFINED* – THE TERM ‘NET VALUE OF TAXABLE ASSETS’ MEANS THE MARKET VALUE OF ASSETS OWNED BY A TAXPAYER, REAL OR PERSONAL, TANGIBLE OR INTANGIBLE, WHEREVER SITUATED, REDUCED BY ANY DEBTS OWED BY THE TAXPAYER.”**

**SECTION 4.** The National Internal Revenue Code of 1997 is hereby further amended by the

1 insertion of the following section to be designated as Sec. 292 under Title XI, Chapter II:

2  
3 **“TITLE XI**  
4 **CHAPTER II**

5  
6 **SEC. 292. DISPOSITION OF PROCEEDS OF SUPER-RICH TAX – THE PROVISIONS**  
7 **OF EXISTING LAWS TO THE CONTRARY NOTWITHSTANDING, ONE**  
8 **HUNDRED PERCENT (100%) OF THE TOTAL REVENUES COLLECTED FROM**  
9 **THE SUPER-RICH TAX SHALL BE ALLOCATED AND USED EXCLUSIVELY IN**  
10 **THE FOLLOWING MANNER:**

11  
12 (A) **SIXTY PERCENT (60%) SHALL BE ALLOCATED NATIONWIDE, BASED**  
13 **ON POLITICAL AND DISTRICT SUBDIVISIONS, FOR MEDICAL**  
14 **ASSISTANCE, THE HEALTH FACILITIES ENHANCEMENT PROGRAM**  
15 **(HFEP), THE ANNUAL REQUIREMENTS OF WHICH SHALL BE**  
16 **DETERMINED BY THE DOH; AND**

17  
18 (B) **FORTY PERCENT (40%) SHALL BE ALLOCATED TO SOCIAL**  
19 **MITIGATING MEASURES AND INVESTMENTS IN: (I) EDUCATION, (II)**  
20 **SOCIAL PROTECTION, (IV) EMPLOYMENT, AND (V) HOUSING THAT**  
21 **PRIORITIZE AND DIRECTLY BENEFIT BOTH THE POOR AND NEAR-**  
22 **POOR HOUSEHOLDS.”**

23  
24 **SECTION 5. *Separability Clause***—If any provisions of this Act is declared invalid or  
25 unconstitutional, other provisions hereof which are not affected thereby shall continue to be in  
26 full force and effect.

27  
28 **SECTION 6. *Repealing Clause***—All laws, orders, issuances, rules and regulations or part  
29 thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified  
30 accordingly.

31  
32 **SECTION 7. *Effectivity Clause***. This Act shall take effect within fifteen (15) days after its  
33 publication in the Official Gazette or in at least two (2) newspapers of general circulation,  
34 whichever comes earlier.

35  
36  
37 *Approved,*