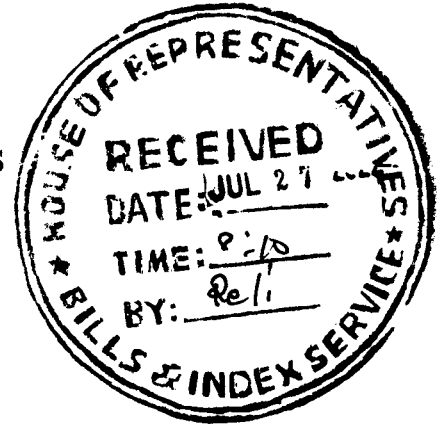


Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**NINETEENTH CONGRESS**  
**First Regular Session**

**HOUSE BILL NO. 2418**



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Introduced by **Representative Wilbert T. Lee**

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**AN ACT PROVIDING ADDITIONAL TAX INCENTIVES ON GIFTS AND  
DONATIONS TO ACCREDITED FARMERS AND FISHERFOLK  
ENTERPRISES UNDER THE FARMERS AND FISHERFOLK ENTERPRISE  
DEVELOPMENT PROGRAM, AMENDING FOR THE PURPOSE REPUBLIC  
ACT NO. 11321, OTHERWISE KNOWN AS THE "SAGIP SAKA ACT"**

**EXPLANATORY NOTE**

One of the paramount objectives in the enactment of Republic Act No. 11321, otherwise known as the "Sagip Saka Act," is to broaden the state's interventions from production to processing and marketing using the value chain system of our agricultural sector. The creation of the Farmers and Fisherfolk Enterprise Development Program integrates the different programs of the Department of Agriculture to support farmers and fisherfolk cooperatives and enterprises, optimize their business operations, and provide them more opportunities for markets and product development.

Currently, the government's support to farmers and fisherfolks is through agricultural and fishery inputs, provision of production/processing/storage facilities, technical assistance including training for productivity and business management, grant of equipment and machinery, the direct purchase of agricultural and fishery products without the need of public bidding, as well as partnership with the private sector and direct access to markets. In the case of partnership with the private sector, this can be done thru marketing contracts, technology transfer, financial and organizational capability enhancement, as well as the donation of equipment, types of machinery, and other real or personal properties to the accredited farmers and fisherfolk enterprises.

Considering the present need to increase support to agribusinesses with the unprecedented challenges they face, this measure seeks to further encourage the private sector to donate to accredited farmers and fisherfolk enterprises under the Farmers and Fisherfolk Enterprise Program by declaring that donors of real and personal properties to these enterprises, in addition to being exempted from the payment of donor's tax, shall be permitted to claim those donations as allowable deductions from the gross income. To heighten and convince them further to help and donate, the allowable deductions on the gross income shall be made equivalent to one hundred fifty percent (150%) of the value of the donation which shall be based on the acquisition cost, fair market value or zonal value, whichever is higher. These

incentive mechanisms readily available for the private sector allows a conducive climate of partnership and the much needed support will given to deserving accredited farmers and fisherfolk enterprises that have undergone strict selection criteria under the Farmers and Fisherfolk Enterprise Development Program. Private sector participation shall not only help increase the productivity and incomes of farmers and fisherfolk, but will also benefit the entire country through improved and adequate food production and more affordable food prices.

The expeditious consideration and approval of this measure is earnestly sought.



**HON. WILBERT T. LEE**  
Representative  
AGRI PARTYLIST

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DEVELOPMENT PROGRAM, AMENDING FOR THE PURPOSE REPUBLIC  
ACT NO. 11321, OTHERWISE KNOWN AS THE "SAGIP SAKA ACT"**

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

**SEC. 1. *Short Title.*** Section 12 of Republic Act (R. A.) No. 11321, otherwise known as the 2  
"Sagip Saka Act" is hereby amended to read as follows:

**"Section 12. Tax Incentives and Exemptions. —** The provisions  
of any general or special law to the contrary notwithstanding: (a)  
Gifts and donations of real and personal properties shall be exempt  
from 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**  
**ONE HUNDRED FIFTY PERCENT (150%) OF THE VALUE**  
**OF SUCH DONATION. THE VALUATION OF THE**  
**DONATION OTHER THAN MONEY SHALL BE BASED ON**

THE ACQUISITION COST OF THE PROPERTY, FAIR MARKET VALUE OR ZONAL VALUE, WHICHEVER IS HIGHER. SUCH VALUATION SHALL TAKE INTO CONSIDERATION THE SELLING PRICE, MARKET VALUE, OR ZONAL VALUE, WHICHEVER IS HIGHER, IN CASE SAID PROPERTY HAS BEEN USED;"

X X X"

**Sec. 2. *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. 3. *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. 4. *Effectivity.*** This Act shall take effect fifteen (15) days following its publication in three (3) newspapers of general circulation.

Approved,