

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

NINETEENTH CONGRESS
First Regular Session

House Bill No. 2717



Introduced by

HON. YEDDA MARIE K. ROMUALDEZ
and
HON. JUDE A. ACIDRE

**AN ACT
PROVIDING FOR TAX RELIEF IN TIMES OF A CALAMITY**

EXPLANATORY NOTE

In times of calamity, it is inevitable that some lives may be taken, properties may be damaged or destroyed, and lives may be changed. And as a country that is located along the typhoon belt in the Pacific, the Filipinos are highly exposed to natural disasters, such as earthquakes, volcanic eruptions, tropical cyclones, and floods, and are therefore vulnerable to drastic changes. Given our country's vulnerability to natural disasters, the State must continue to strengthen its disaster prevention and response program. A measure providing for tax relief in times of calamity is one way of supporting the Filipino citizens to get back on their feet.

Aside from this, bureaucratic processes impede the flow of donations in favor of the victims of calamities. While there is no lack of donations from both local and foreign entities, those who intend to donate huge sums have to pay for substantial donor's tax. And under our existing laws, donations may be exempted from taxes and import duties only after going through several national government agencies. A measure providing for an exemption for

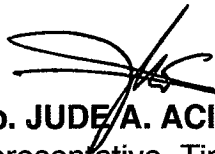
donor's tax of donations for the victims of calamities will ensure that the victims may receive such donations immediately with less burden for the donors.

Mandating the State to lift taxes and to provide for an expedited process of donating in times of calamity will improve the resilience of the Filipinos.

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



Rep. YEDDA MARIE K. ROMUALDEZ
Representative, Tingog Sinirangan



Rep. JUDE A. ACIDRE
Representative, Tingog Sinirangan

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

Section 1. *Calamity defined.* For the purposes of this Act, *Calamity* shall be defined as a state of extreme distress or misfortune, produced by some adverse circumstance or event or any great misfortune or cause or loss or misery caused by natural forces.

Section 2. *Effect of Declaration of Calamity.* A declaration of a state of calamity by the proper local Sanggunian shall make effective the following tax relief:

- a) The real property tax in the affected area shall not be assessed and collected for two (2) fiscal years, starting from the date of the declaration of a state of calamity;
- b) Any donation in the name of any organization that declares that the funds donated shall be in favor of the victims of the calamity shall be exempt from donor's tax. This exemption from the donor's tax shall automatically apply and the Bureau of Internal Revenue shall not require any accreditation requirements: *Provided, however,* That not more than 10% of the said gifts shall be used by donee organization for administrative purposes.

Section 3. *Implementing Rules and Regulations.* The Bureau of Internal Revenue (BIR) shall, within thirty (30) days from the effectivity of this Act, promulgate the rules and regulations necessary for the effective implementation of this Act.

Section 4. *Separability Clause.* If any provision of this Act is subsequently declared invalid or unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

Section 5. *Repealing Clause.* All other laws, presidential decrees, executive orders and issuances, or portions thereof, which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

Section 6. *Effectivity Clause.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,