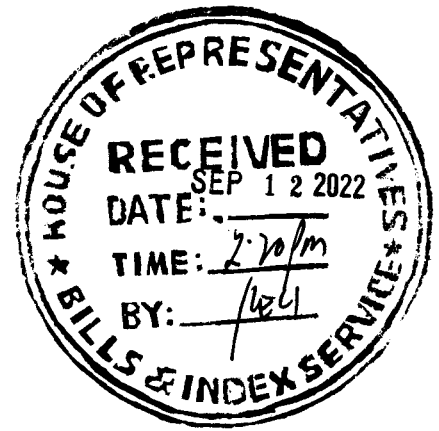




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL No. 4669



Introduced by HONORABLE ERNESTO "ERNIX" M. DIONISIO, JR.

EXPLANATORY NOTE

In a survey conducted by the Philippine Statistics Authority (PSA) this year, it was found that the country's unemployment rate is at 6.4% or about 3.13 million within the age bracket of 15 years old and above.¹ A total of 26.9% of the unemployed are college graduates. Many factors and issues surround these numbers provided by the PSA. Based from these numbers, it can be deduced that aside from competing against fellow fresh graduates, they will also need to compete with more experienced job applicants, stringent job application requirements, and demand for their skills. These problems are compounded for graduates from provincial colleges, universities, and training centers.

Currently, even with the lifting of the nationwide imposed lockdown, the losses incurred by businesses during the height of the pandemic remain. It is reported that a number of companies trimmed their workforce to save costs due to the pandemic lockdown experienced in the country.² Matched with a relatively large number of fresh graduates, there is a disparity in available positions. This further increases the difficulty faced by fresh graduates in finding employment opportunities.

Thus, to help with this situation, this proposed bill endeavors to provide tax incentives to employers to encourage them to hire fresh graduates. This will not only ease the economic burden brought about by the pandemic, it will also provide much needed opportunities for our fresh graduates, more specifically to graduates of provincial colleges, universities and training centers, to not only further their working experience but to also avail them with the chance to earn.

¹ Philippine Statistics Authority. 2022. Labor Force Survey: Unemployment Rate in February 2022. <https://psa.gov.ph/content/unemployment-rate-february-2022-estimated-64-percent>

² <https://www.bworldonline.com/top-stories/2022/06/23/456876/locked-down-filipino-college-graduates-face-gloomy-covid-19-labor-market/>

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

A handwritten signature in black ink, appearing to read 'Ernesto M. Dionisio, Jr.', with a large, stylized flourish at the end.

ERNESTO "ERNIX" M. DIONISIO, JR.

Assistant Majority Floor Leader

Congressman

First Congressional District of Manila



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HOUSE BILL No. 4669

Introduced by HONORABLE ERNESTO “ERNIX” M. DIONISIO, JR.

AN ACT
GRANTING TAX INCENTIVES TO EMPLOYERS THAT HIRE FRESH
GRADUATES FROM PROVINCIAL COLLEGES, UNIVERSITIES AND TRAINING
CENTERS

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

SECTION 1. Short Title. – This Act shall be known as the “Hiring Incentives Act.”

SECTION 2. Declaration of Policy. – It is hereby the declared policy of the State to encourage private employers to participate in expanding the opportunities available for the youth.

SECTION 3. Deductions from Taxable Income. – As an incentive to companies and employers to hire fresh graduates from recognized Provincial Colleges, Universities, and Training Centers, a deduction from the computation of taxable income equivalent to ten percent (10%) of the fresh graduate’s starting gross salary; *Provided*, however, that the tax deductions shall not exceed ten percent (10% of its taxable income; *Provided*, further, that the tax deduction under this section shall be evidenced by a certified true copy of the fresh graduate’s diploma, certification, or document issued by the educational, vocational, or technical institution from which he or she has graduated.

SECTION 4. Implementing Rules and Regulations. – Within sixty (60) days from the effectivity of this Act, the Department of Labor and Employment and the Department of Trade and Industry, as well as other departments and agencies

charged with carrying out the provision of this Act, shall formulate the necessary rules and regulations for its effective implementation.

SECTION 5. Repealing Clause. – All laws, decrees, executive orders, proclamations, rules and regulations, ordinances, issuances or parts thereof which are inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 6. Separability Clause. – If any provision of this Act is declared unconstitutional or invalid, the remainder of the provisions thereof not affected shall remain in force and effect.

SECTION 7. Effectivity Clause. – This Act shall take effect fifteen (15) days upon its publication in at least two (2) newspapers of general circulation.