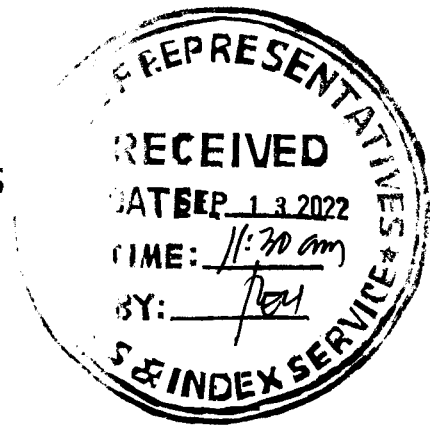




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Nineteenth Congress
First Regular Session

HOUSE BILL NO. **4742**



Introduced by Representative Shernee A. Tan-Tambut

EXPLANATORY NOTE

This bill seeks to grant income tax exemption to persons with disabilities (PWDs) who are gainfully employed, amending for the purpose the National Internal Revenue Code, as amended.

The United Nations Convention on the Rights of Persons with Disability invokes the universal recognition to the dignity of persons with disabilities. State parties to the convention are duty-bound to promote, protect and ensure the full and equal enjoyment of all human rights and fundamental freedoms by all persons with disabilities, and to promote respect for their inherent dignity.

In response thereto, the government enacted Republic Act (RA) No. 7277, as amended, otherwise known as the "*Magna Carta for Disabled Persons*," to capacitate PWDs through employment and education. Section 5 of RA 7277 articulates that PWDs shall not be denied access to opportunities for suitable employment and shall be subject to the same terms and conditions of employment and the same compensation, privileges, and other related benefits and incentives as a qualified able-bodied person.

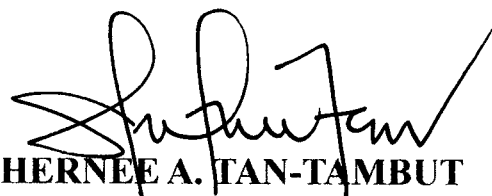
In addition, RA 10524, entitled "*An Act Expanding The Positions Reserved For Persons With Disability, Amending For The Purpose Republic Act No. 7277, As Amended, Otherwise Known As The Magna Carta For Persons With Disability*," was enacted to expand the employment opportunities for PWDs. Anent the said law, government agencies shall reserve at least 1% of their regular and non-regular positions for PWDs. Private corporations, on the other hand, who employ at least 100 employees are encouraged to reserve at

least 1% of all positions for PWDs and those who employ less than 100 employees are encouraged to hire PWDs.

Given the government's commitment under the Convention on the Rights of Persons with Disabilities on achieving inclusive growth and decent work for all, it is but fitting to continue to bring hope to all PWDs by providing them employment and livelihood opportunities and alleviating their financial burdens by granting them an equitable form of tax relief to improve their welfare and quality of living.

This bill aims to complement the self-development and self-reliance of PWDs by exempting them from paying income tax for individuals and effectively providing them additional means to afford the growing prices of basic goods and services.

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



SHERNEE A. TAN-TAMBUT



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

Nineteenth Congress
First Regular Session

HOUSE BILL NO. **4742**

Introduced by Representative Shernee A. Tan-Tambut

AN ACT
GRANTING INCOME TAX EXEMPTION TO PERSONS WITH
DISABILITIES WHO ARE GAINFULLY EMPLOYED, AMENDING FOR
THE PURPOSE THE NATIONAL INTERNAL REVENUE CODE, AS
AMENDED

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

SECTION 1. Section 24 of the National Internal Revenue Code, as amended, is hereby further amended to read as follows:

“SEC. 24. Income Tax Rates. –

“(A) Rates of Income Tax on Individual Citizen and
Individual Resident Alien of the Philippines. –

“1. xxx.

“2. xxx.

“For married individuals, the husband and wife, subject to
the provision of Section 51 (D) hereof, shall compute separately
their individual income tax based on their respective total taxable

income: *Provided*, That if any income cannot be definitely attributed to or identified as income exclusively earned or realized by either of the spouses, the same shall be divided equally between the spouses for the purpose of determining their respective taxable income.

“Provided, That minimum wage earners as defined in Section 22 (HH) of this Code **AND PERSONS WITH DISABILITIES AS DEFINED IN SECTION 4 OF RA 7277, AS AMENDED, OTHERWISE KNOWN AS THE “MAGNA CARTA FOR DISABLED PERSONS”** shall be exempt from the payment of income tax on their taxable income: *Provided, further*, That the holiday pay, overtime pay, night shift differential pay and hazard pay received by such minimum wage earners **AND PERSONS WITH DISABILITIES** shall likewise be exempt from income tax.

“XXX.”

SEC. 2. All laws, executive orders, issuances, rules and regulations, or parts thereof inconsistent with the provisions of this Act are repealed or modified accordingly.

SEC. 3. This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,