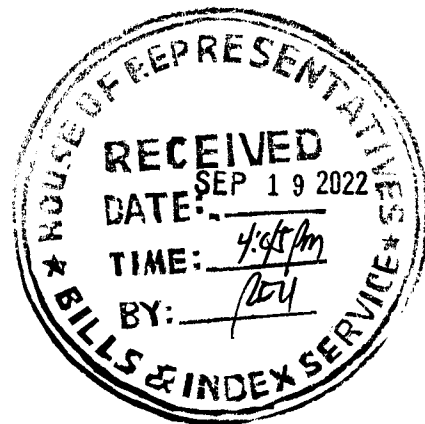


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

House Bill No. 4994



Introduced by Representative Gabriel H. Bordado, Jr.

EXPLANATORY NOTE

Innovations that result in educational, scientific and technological, or economic expansion are indispensable in nation-building. But before these innovations can materialize and can have a profound impact on society, a great deal of resources, research, funding, and time are needed. It is because of the disparity between the investment needed and the profits or returns yielded that private sectors are seldom enticed to bank on such innovations.

This bill wishes to encourage more organizations to take part in the development and innovations in various fields. This Act, which had been filed during the 17th Congress by Rep. Salvador Belaro, seeks to provide tax incentives to corporations, partnerships, organizations, and other judicial entities that would invest in basic research and that would introduce efficient innovations.


GABRIEL H. BORDADO, JR.
3rd District, CAMARINES SUR

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**AN ACT GRANTING TAX INCENTIVES FOR RESEARCH ACTIVITIES
AND FOR OTHER PURPOSES**

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

SECTION 1. Short Title. This Act shall be known as the "Research Incentives Act of 2022"

SEC. 2. Declaration of State Policy - The State recognizes the indispensable role of science and technology in a globalized world. Thus, investments in research, science and technology should be encouraged and deserve reasonable state intervention.

SEC. 3. Expenses for research shall henceforth be deemed as deductions from gross income within the contemplation of the National Internal Revenue Code. Such expenses for research shall include, among others, that for research grants to faculty members of universities conducting independent research or commissioned by the private sector for business purposes.

SEC. 4. All entities doing business in the Philippines in the field of research or those that use new technology or research-based business activities shall be exempt from the payment of income tax for a period of two (2) years from the time of the commencement of their research or technology-based business.

SEC. 5. The Department of Science and Technology (DOST), Department of Education (DepEd) and the Bureau of Internal Revenue (BIR) shall be tasked with formulating the rules and regulations necessary to implement this Act.

SEC. 6. The funds necessary to carry out the provision of this Act shall be included in the General Appropriation Act of the year following its enactment into law and thereafter.

SEC. 7. All laws, orders, issuances rules and regulations or parts thereof inconsistent with any provisions of this Act are hereby repealed, modified or amended accordingly.

SEC. 8. This Act shall take effect fifteen (15) days from complete publication in the Official Gazette or in a newspaper of general circulation.

Approved,