



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

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL No. 5189



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

AN ACT
EXEMPTING EDUCATIONAL APPLICATIONS, GADGETS, COMPUTERS, AND
E-BOOKS FROM VALUE-ADDED TAX (VAT) FOR THE PRINCIPAL USE OF
TEACHERS AND STUDENTS IN ONLINE AND DISTANT LEARNING, AMENDING
FOR THE PURPOSE SECTION 109 (1) OF THE NATIONAL INTERNAL REVENUE
CODE OF 1997, AS AMENDED

EXPLANATORY NOTE

Blended or hybrid learning is now being embraced all over the globe as the COVID-19 pandemic continues to ravage the world. As the well-being of the youth remains to be a primordial consideration on whether or not physical classes should return, students should have accessible technology available for consumption should there be another pandemic, or emergency, that strike our nation.

Concomitant to this, not all families are able to afford gadgets, computers, applications, and e-books that are up-to-standard to the minimum requirements for blended or hybrid learning. As such, this bill seeks to lessen the burden of those lacking in life, by amendment of the Tax Code, which will provide VAT exemption to the aforementioned which will be primarily used for education.

In effect, the price for the purchase of emerging technology will be more accessible to those who seek to better their knowledge virtually. The knowledge our precious teachers have combined with cost-effective technology, will prepare the next generation for any situation that may come their way.

ERNESTO "ERNIX" M. DIONISIO, JR.

Assistant Majority Floor Leader

Congressman

First Congressional District of Manila



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

SECTION 1. Section 109 (1) of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:

SEC. 109. Exempt Transactions. — (1) Subject to the provisions of Subsection (2) hereof, the following transactions shall be exempt from the Value-Added Tax:

XXX

“(R) Sale, importation, printing or publication of books and any newspaper, magazine, review or bulletin which appears at regular intervals with fixed prices for subscription and sale and which is not devoted principally to the publication of paid advertisements:

“(S) **SALE OF E-BOOKS, E-LEARNING APPLICATIONS, GADGETS AND COMPUTERS FOR THE PRINCIPAL USE OF TEACHERS AND STUDENTS IN ONLINE AND DISTANT LEARNING;**

“(T[S]) xxx;

“(U[T]) xxx;

“xxx”; and

“(CC[BB])”.

SECTION 2. Implementing Rules and Regulations. — The Secretary of THE Department of Finance, upon the recommendation of the Commissioner of Internal Revenue, shall promulgate not later than thirty (30) days upon the effectivity of this Act the necessary rules and regulations for its effective implementation, in consultation with the Department of Education, Commission on Higher Education and other necessary stakeholders.

SECTION 3. Repealing Clause. - All laws, decrees, letters of instruction, resolutions, orders or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, modified or amended accordingly.

SECTION 4. Effectivity Clause. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.