

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

House Bill No. 6472



Introduced by **HONORABLE MARCELINO C. LIBANAN**

EXPLANATORY NOTE

The Congress in 1989 enacted Republic Act No. 6768, which established the Balikbayan Program under the Department of Tourism for the purpose of encouraging Filipinos overseas to come and visit their motherland.

Thirteen years later, in 2002, Congress passed Republic Act No. 9174, which improved the benefits and privileges under the Balikbayan Program.

In the original 1989 law, balikbayans were granted the privilege to make a tax-free purchase of up to US \$1,000.00, or its equivalent in other acceptable foreign currency, at all government-owned duty-free shops.

The 2002 law enlarged to US \$1,500.00 the maximum tax-exempt purchase.

The amendatory law also added the kabuhayan shopping privilege, which granted a separate tax-exempt purchase of up to US \$2,000 exclusively for the buying of "livelihood tools" at all state-run duty-free shops.

This bill now seeks to further increase to US \$3,000.00 the maximum allowable tax-exempt purchase and raise also to US \$3,000.00 the separate ceiling for the kabuhayan shopping privilege.

The upward adjustments in the thresholds are needed to account for inflation over the last 20 years, and to ensure that shopping privileges remain substantial for the benefit of balikbayans.

This bill is expected to encourage a greater number of balikbayans to make their purchases here at home in government-owned duty-free shops, rather than in foreign duty-free shops, and help the Philippine economy generate more foreign exchange.


MARCELINO C. LIBANAN

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HOUSE BILL NO. 6472

Introduced by **REPRESENTATIVE MARCELINO C. LIBANAN**

**AN ACT EXPANDING THE TAX-EXEMPT PURCHASES OF BALIKBAYANS
AT ALL GOVERNMENT-OWNED DUTY-FREE SHOPS, AMENDING SECTION 3
OF REPUBLIC ACT NO. 6768, AS AMENDED BY REPUBLIC ACT NO. 9174**

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

Section 1. Section 3 of Republic Act No. 6768, as amended by Republic Act No. 9174,
is hereby amended to read as follows:

"SEC. 3 *Benefits and Privileges of the Balikbayan.* - The *balikbayan* and his or
her family shall be entitled to the following benefits and privileges:

(a) Tax-exempt maximum purchase in the amount of Three Thousand
United States dollars (US \$3,000.00) or its equivalent in Philippine peso
and in other foreign currencies at all government-owned and -
controlled/operated duty-free shops, subject to the limitations contained
in Section 4 hereof;

(b) All domestic carriers shall establish a special promotional/incentive
program for the *balikbayan*;

(c) Visa-free entry to the Philippines for a period of one (1) year for
foreign passport holders, with the exception of restricted nationals;

(d) Travel tax exemption as provided under Presidential Decree No.
1183, Executive Order No. 283, and other allied laws;

(e) Especially designated reception areas at the authorized ports of entry
for the expeditious processing of documents;

(f) Accredited transportation facilities that will ensure their safe and
convenient trips upon arrival. The Department of Tourism and the
Department of Transportation and Communications and other
concerned government agencies are hereby mandated to implement the
program for this particular purpose; and

(g) *Kabuhayan* shopping privilege and additional tax-exempt purchase in the maximum amount of Three Thousand United States dollars (US \$3,000.00) or its equivalent in Philippine peso and other acceptable foreign currencies; exclusive for the purchase of livelihood tools at all government-owned and controlled/operated duty-free shops.

The total amount of tax-exempt maximum purchase as mentioned in sub-paragraphs (a) and (g) of this Section may be used for the *kabuhayan* program, subject to the limitations contained in Section 4 hereof.

The privileges granted under this Act shall be in addition to the benefits enjoyed by the balikbayan under existing laws, rules and regulations.

Approved,