

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

19th Congress
First Regular Session

House Bill No. 7583



Introduced by **REPRESENTATIVE EMIGDIO P. TANJUATCO III**

EXPLANATORY NOTE

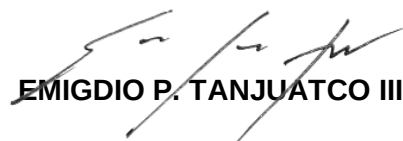
Many authorities enunciated that taxes, being the lifeblood of government, should be collected without unnecessary hindrance. Without which, the government would be paralyzed for lack of motive power to activate and operate it.

Collecting taxes and fees are crucial because governments collect this money and use it to finance social projects. Without taxes, government contributions to the health sector would be impossible. Taxes go to funding health services such as social healthcare, medical research, social security, education and governance, among others.

Premised on the foregoing, it is imperative that laws be crafted to ensure not just the timely collection of taxes, but the equally important, collection of taxes which are rightfully due to the government.

While we have sufficient safeguards enshrined in the 1987 Constitution, The National Internal Revenue Code of 1997, and other appropriate laws, that deter occurrences relative to the falsification of public or commercial documents or possession and utilization of falsified, counterfeit, receipts, invoices, and other business documents, there seems to be a lack of definitive provision penalizing the acquisition, distribution and any activities of similar import that will aid in the proliferation of counterfeit/unauthorized official receipts or invoices.

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


EMIGDIO P. TANJUATCO III

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AN ACT
PENALIZING THE PADDING OF TAX DEDUCTIONS THROUGH UNAUTHORIZED,
FALSIFIED, OR FAKE REVENUE DOCUMENTS, AMENDING FOR THE PURPOSE
REPUBLIC ACT NO. 8424 ENTITLED, "THE NATIONAL INTERNAL REVENUE CODE OF
1997, AS AMENDED BY REPUBLIC ACTS NO. 10963, 11256, 11346, 11467 AND 11534"

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

Section 1. Title. – This Act shall be known as the "Anti-Tax Deduction Padding Act".

Section 2. Declaration of Policy. – It is the policy of the State to maintain the integrity and propriety of all transactions involving public interest, particularly, the preservation of public trust and confidence in official receipts or invoices, as well as, the prevention of the proliferation of counterfeit receipts or invoices or those although official but sans imprimatur of the State.

Section 3. Objectives. – The objectives of this Act are as follows:

- (a) To restore public credence and reliance on official receipts or invoices issued by the Republic of the Philippines;
- (b) To remind the public that official receipts and invoices are principal pieces of evidence for consummated transactions and are essential part of tax compliance in the country;
- (c) To impose penalties and sanctions against entities or persons found to be violating any of the provisions stated herein;

Section 4. Amendatory Clause. Section 257 Subsection B Number 8 of Republic Act No. 8424 entitled, "The National Internal Revenue Code of 1997 as amended," is hereby amended to read as follows:

"SEC. 257. Penal Liability for Making False Entries, Records or Reports, or Using Falsified or Fake Accountable Forms."

“X X X”

“(B) Any person who:”

“X X X”

(8) Willfully attempts in any manner to evade or defeat any tax imposed under this Code, or knowingly DISTRIBUTES, ACQUIRES OR uses UNAUTHORIZED, fake or falsified revenue official receipts, SALES INVOICES, COMMERCIAL INVOICES, Letters of Authority, certificates authorizing registration, Tax Credit Certificates, Tax Debit Memoranda and other accountable forms shall, upon conviction for each act or omission, be punished by a fine not less than FIVE HUNDRED THOUSAND PESOS (P500,000) but not more than TEN MILLION PESOS (Php10,000,000), and imprisonment of not less than (6) YEARS but not more than TEN (10) YEARS.

“X X X.”

Section 5. *Separability Clause.* – If any part or section of this Act is declared unconstitutional, such declaration shall not affect in any manner other parts or sections hereof.

Section 6. *Repealing Clause.* – All laws, decrees, proclamations, issuances, or ordinances that are contrary to or inconsistent with the provisions of this Act are hereby amended, repealed or modified accordingly.

Section 7. *Effectivity Clause.* This Act shall take effect fifteen (15) days after its publication in the official gazette or in a newspaper of general circulation in the Philippines.

Approved,