

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 9393



Introduced by **HON. GUS S. TAMBUNTING**

EXPLANATORY NOTE

No less than the Constitution provides that The State shall protect and promote the right to health of the people and instill health consciousness among them. The State shall also adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to all the people at affordable cost.

This proposed amendment to Section 109 of the National Internal Revenue Code of 1997 holds significant importance. It aims to reduce the financial burden on individuals dealing with critical health conditions. Exempting prescription drugs and medicines from value-added tax (VAT) implies a reduction in their overall cost, making them more affordable and accessible for patients. Health conditions such as diabetes, high cholesterol, cancer, mental illness, tuberculosis, and kidney diseases often necessitate ongoing medication, and the cost can be a significant challenge for individuals and families. This amendment helps alleviate this financial strain, promoting better health outcomes and improving the overall quality of life for patients.

The objective of this amendment is to alleviate the financial burden on individuals facing serious health challenges by reducing the costs associated with prescription drugs and medicines. By exempting these essential healthcare items from VAT, the proposal aims to make them more accessible and affordable for patients.

Overall, the amendment aims to contribute to a more equitable healthcare system by enhancing access to essential medications for individuals dealing with serious health conditions.

On behalf of the people of Parañaque City's Second District, and for the common good of the Filipino people, the approval of the said measure is earnestly sought.



REP. GUS S. TAMBUNTING
2nd District, Parañaque City

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HOUSE BILL NO. **9393**

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AN ACT
LOWERING THE COST OF PRESCRIPTION DRUGS AND MEDICINES,
AMENDING FOR THE PURPOSE SECTION 109 OF THE NATIONAL INTERNAL
REVENUE CODE OF 1997, AS AMENDED

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

SECTION 1. Short Title. – This Act Shall be known as the “Affordable Medicines Act.”

Sec. 2. – Section 109 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:

“(A) x x x;

“x x x;

“(AA) Sale of or importation of prescription drugs and medicines for:

“(i) Diabetes, high cholesterol, and hypertension beginning January 1, 2020; and

“(ii) Cancer, mental illness, tuberculosis, and kidney diseases beginning January 1, 2021.

“PROVIDED, THAT THE VAT EXEMPTION UNDER THIS SUBSECTION SHALL APPLY TO THE SALE OR IMPORTATION OF ALL PRESCRIPTION DRUGS AND MEDICINES BEGINNING JANUARY 1, 2024; *Provided, FURTHER,* That the DOH shall issue the list of approved drugs and medicines for this purpose within sixty (60) days from the effectivity of this Act; and

“x x x”

Sec. 3. Implementing Rules and Regulations. – Within thirty (30) days from the effectivity of this Act, the Secretary of Health and the Secretary of Finance, upon the

recommendation of the Commissioner of Internal Revenue, shall promulgate the necessary rules and regulations for its effective implementation.

Sec. 4. Repealing Clause. – All laws, acts, decrees, executive orders, issuances, and rules and regulations or parts thereof which are contrary to and inconsistent with this Act are hereby repealed, amended, or modified accordingly.

Sec 5. Effectivity. – This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,