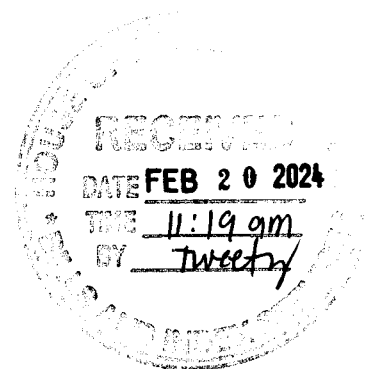




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. **9952**



Introduced by Representative Crispin Diego “Ping” D. Remulla

AN ACT
EXEMPTING INCENTIVES, REWARDS, BONUSES, AND OTHER FORMS OF
EMOLUMENTS RECEIVED BY NATIONAL ATHLETES AND COACHES
FROM TAXES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 10699,
OTHERWISE KNOWN AS THE “NATIONAL ATHLETES AND COACHES
BENEFITS AND INCENTIVES ACT”

EXPLANATORY NOTE

Section 32 (B) (7) (d) of the National Internal Revenue Code (NIRC) exempts from tax all prizes and awards given to athletes in local and international competitions sanctioned by national sports associations, regardless of location. However, gifts from private companies and individuals exceeding P1 million incur a 6% donor's tax.

Following Hidilyn Diaz's victory during the 2020 Tokyo Olympics, she received significant support from the private sector. To further motivate athletes and attract additional support, offering tax incentives to private entities and individuals is seen as a significant enhancement.

This measure aims to make all rewards and bonuses received by national athletes and coaches from both public and private sources for international competition achievements exempt from taxes, fees, and charges.

In view of the foregoing, the approval of this measure is earnestly sought.

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a cursive 'D' and 'R'.

CRISPIN DIEGO "PING" D. REMULLA



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

NINETEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. **9952**

Introduced by Representative Crispin Diego “Ping” D. Remulla

AN ACT
EXEMPTING INCENTIVES, REWARDS, BONUSES, AND OTHER FORMS OF
EMOLUMENTS RECEIVED BY NATIONAL ATHLETES AND COACHES
FROM TAXES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 10699,
OTHERWISE KNOWN AS THE “NATIONAL ATHLETES AND COACHES
BENEFITS AND INCENTIVES ACT”

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

1 **SECTION 1. Short Title.** – This Act shall be known as the “Hidilyn Diaz Act.”

2 **SEC. 2. Declaration of Principle.** – The State shall give priority to sports to foster
3 patriotism and nationalism, accelerate social progress, and promote total human liberation and
4 development. Towards this end, the State shall look after the welfare of national athletes and
5 coaches by providing benefits and incentives for qualified athletes and coaches who compete
6 or win in international sports competitions and bring honor and recognition to the country.

7 **SEC. 3. New provision.** A new Section, designated as Section 4-A, is hereby inserted
8 in Republic Act No. 10699, otherwise known as the “National Athletes and Coaches Benefits
9 and Incentives Act,” to read as follows:

10 **“SEC. 4-A. EXEMPTION FROM TAXES OF INCENTIVES, REWARDS,**
11 **BONUSES, AND OTHER FORMS OF EMOLUMENTS RECEIVED BY COMPETING**

1 OR WINNING NATIONAL ATHLETES AND COACHES. – ALL INCENTIVES,
2 REWARDS, BONUSES AND OTHER FORMS OF EMOLUMENTS, AS WELL AS
3 DONATIONS, GIFTS, ENDOWMENTS AND CONTRIBUTIONS, WHETHER FROM
4 PUBLIC OR PRIVATE PERSONS OR ENTITIES, RECEIVED BY NATIONAL
5 ATHLETES WHO COMPETE OR WIN IN INTERNATIONAL SPORTS
6 COMPETITIONS AS DEFINED IN THIS ACT, INCLUDING THOSE RECEIVED BY
7 THEIR RESPECTIVE COACHES, SHALL BE EXEMPT FROM ANY AND ALL
8 NATIONAL OR LOCAL TAXES, FEES AND CHARGES, SUBJECT TO RULES AND
9 REGULATIONS TO BE ISSUED BY THE SECRETARY OF FINANCE, AS
10 RECOMMENDED BY THE COMMISSIONER OF INTERNAL REVENUE:
11 PROVIDED, HOWEVER, THAT DONATIONS, GIFTS, ENDOWMENTS AND
12 CONTRIBUTIONS MADE PRIOR TO THE COMPETITION ITSELF AND
13 DIRECTLY AND EXCLUSIVELY USED TO FUND TRAINING AND
14 COMPETITION-RELATED EXPENSES, AS WELL AS INCENTIVES, REWARDS,
15 BONUSES AND OTHER FORMS OF EMOLUMENTS RECEIVED BY COMPETING
16 OR WINNING NATIONAL ATHLETES AND COACHES, SHALL BE CONSIDERED
17 AS ALLOWABLE DEDUCTIONS FROM GROSS INCOME FOR PURPOSES OF
18 COMPUTING THE TAXABLE INCOME OF THE DONOR IN ACCORDANCE WITH
19 THE PROVISIONS OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS
20 AMENDED.”

21 “THE EXEMPTION FROM DONOR’S TAX AND DEDUCTIBILITY FROM
22 GROSS INCOME PROVIDED HEREIN MAY BE AVAILED OF WITHIN ONE (1)
23 YEAR BEFORE THE COMMENCEMENT OF THE INTERNATIONAL SPORTS
24 COMPETITION WHERE THE NATIONAL ATHLETE WILL COMPETE IN, AS
25 CERTIFIED BY THE RESPECTIVE BODIES THAT ACCREDITED THEM AND

1 **THEIR COACHES, WHICH MAY BE THE PHILIPPINE SPORTS COMMISSION,**
2 **PHILIPPINE OLYMPIC COMMITTEE, OR THE NATIONAL PARALYMPIC**
3 **COMMITTEE OF THE PHILIPPINES, AND WITHIN THREE (3) MONTHS AFTER**
4 **THE INTERNATIONAL SPORTS COMPETITION.”**

5 **“THE EXEMPTIONS AND PRIVILEGES PROVIDED HEREIN SHALL TAKE**
6 **EFFECT ON JANUARY 1, 2023 AND SHALL NOT BE AVAILED IN LIEU OF ANY**
7 **TAX EXEMPTION OR PRIVILEGE GRANTED UNDER EXISTING LAWS.”**

8 **SEC. 4. Implementing Rules and Regulations.** – Within thirty (30) days from the
9 effectivity of this Act, the Department of Finance shall, upon recommendation by the Bureau
10 of Internal Revenue, promulgate rules and regulations for the effective implementation of this
11 Act: Provided, That failure to promulgate said rules and regulations shall not prevent the
12 implementation of the provisions of this Act.

13 **SEC. 5. Repealing Clause.** – All laws, decrees, executive orders, rules, and regulations
14 or parts thereof which are contrary to or inconsistent with any provisions of this Act are hereby
15 repealed, amended, or modified accordingly.

16 **SEC. 6. Separability Clause.** – If any provision or part of this Act is declared
17 unconstitutional and invalid, the remaining parts or provisions not affected shall remain in full
18 force and effect.

19 **SEC. 7. Effectivity.** – This Act shall take effect after fifteen (15) days following its
20 complete publication in the Official Gazette or in a newspaper of general circulation.

Approved,