



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

NINETEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 11145



Introduced by
HON. ATTY. GERVILLE “JINKY BITRICS” R. LUISTRO

AN ACT
EXCLUDING NIGHT SHIFT DIFFERENTIAL PAY FROM THE COMPUTATION OF
TAXABLE INCOME, AMENDING FOR THE PURPOSE SECTION 32 (B) (7) OF
REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS THE NATIONAL INTERNAL
REVENUE CODE OF 1997, AS AMENDED

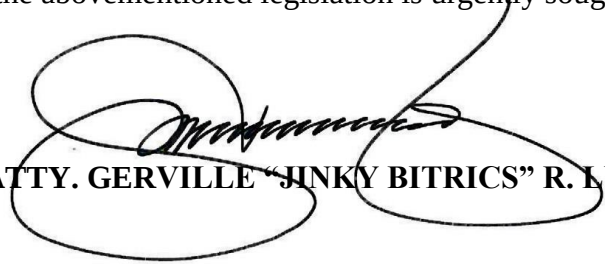
EXPLANATORY NOTE

In 2013, the business process outsourcing (BPO) sector in the Philippines generated \$10 billion in revenue, contributing substantially to the nation’s GDP growth of 7.2%. The sector's success can be largely attributed to the high-quality and committed labor provided by Filipino workers, whose numbers have now grown to approximately 586,000.

As a token of gratitude to the role that these workers play in the economy, this bill proposes the inclusion of night shift differential under Section 32 (B)(7) of the National Internal Revenue Code, excluding the same from the computation of gross income for tax purposes.

By ensuring that workers retain the full value of their additional compensation, free from taxation, the State not only furthers the welfare of its labor force but also stimulates broader economic growth.

In view of the foregoing, the passage of the abovementioned legislation is urgently sought.


HON. ATTY. GERVILLE “JINKY BITRICS” R. LUISTRO



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REVENUE CODE OF 1997, AS AMENDED

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

SECTION 1. Section 32 (B) (7) (e) of Republic Act No. 8424, otherwise known as the "National Internal Revenue Code of 1997", as amended is hereby further amended to read as follows:

"Sec. 32. Gross Income -

"(A) General Definition. - X X X

"(B) Exclusions from Gross Income. - x X X

"(1) x x x

"(2) x x x

"(3) x x x

"(4) x x X

"(5) x x x

"(6) x x x

"(7) **Miscellaneous items.** –

"(a) x x x

"(b) x x x

"(c) xx x

"(d) x x x

"(e) x x x

"(f) **NIGHT SHIFT DIFFERENTIAL -
COMPENASTION DUE TO HOURS
WORKED/PERFORMED BETWEEN 10
O'CLOCK IN THE EVENING AND 6 O'CLOCK IN
THE MORNING**

"(G) [(f)] x x X

"(H) [(g)] x x x

"(I) [(h)] x x X.

SEC. 2. *Repealing Clause.* - All other laws, decrees, orders, issuances and rules and regulations or parts thereof inconsistent with this Act are hereby amended or repealed accordingly.

SEC. 3. *Effectivity.* - This Act shall take effect fifteen (30) days after its publication either in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,