



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



**TWENTIETH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 1563**

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**Introduced by Representative WALFREDO R. DIMAGUILA, JR.**

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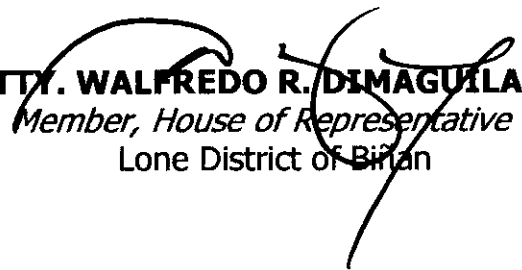
**AN ACT**  
**AMENDING SECTION 24 OF THE NATIONAL INTERNAL REVENUE**  
**CODE, AS AMENDED**

**EXPLANATORY NOTE**

The TRAIN law was enacted in December 2017 and took effect on January 1, 2018, amending the income tax rates for individuals. Meanwhile, several laws were passed like the EOPT, VAT on Digital Providers, CREATE Act, CREATE More, and the CMEPA, that amended several provisions of the NIRC as amended. Incentives were provided to certain sectors of taxpayers. It is about time that individual income taxpayers are given relief from the tax burden by amending the tax schedules imposed under the TRAIN LAW, increasing the threshold exempt from the tax, and lowering the rates accordingly. This is in pursuit of fairness and compassion for our taxpayers, especially the middle-income tax group.

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

**ATTY. WALFREDO R. DIMAGUILA, JR.**  
*Member, House of Representative*  
Lone District of Bataan





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**AN ACT**  
**AMENDING SECTION 24 OF THE NATIONAL INTERNAL REVENUE**  
**CODE, AS AMENDED**

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

1     **SECTION 1.** Section 24 of the National Internal Revenue Code, as amended, is  
2     hereby further amended to read as follows:

3     Section 24. *Income Tax Rates. – (A) Rates of Income Tax on Individual Citizen*  
4     *and Individual Resident Alien of the Philippines. –*

5             (1) x x x An income tax is hereby imposed:

6                 a. x x x

7                 b. x x x

8                 c. x x x

9             (2) *Rates of Tax on Taxable Income of Individuals. –* The tax shall be computed  
10     in accordance with and at the rates established in the following schedule: <sup>1</sup>

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<sup>1</sup> As amended by RA 10963, otherwise known as the TRAIN Law, 19 December 2017.

11 (a) Tax Schedule Effective January 1, 2018 until December 31, 2022:

12	Not over ₱250,000.00	0%
13	Over ₱250,000.00 but not over	20% of the excess over
14	₱400,000.00	₱250,000.00
15	Over ₱400,000.00 but not over	₱30,000.00 + 25% of the
16	₱800,000.00	excess over ₱400,000.00
17	Over ₱800,000.00 but not over	₱130,000.00 + 30% of the
18	₱2,000,000.00	excess over ₱800,000.00
19	Over ₱2,000,000.00 but not over	₱490,000.00 + 32% of the
20	₱8,000,000.00	excess over ₱2,000,000.00
21	Over ₱8,000,000.00	₱2,410,000.00 + 35% of the
22		excess over ₱8,000,000.00

21 (Tax Schedule Effective January 1, 2023 UNTIL DECEMBER 31, 2025)

22	Not over ₱250,000.00	0%
23	Over ₱250,000.00 but not over	15% of the excess over
24	₱400,000.00	₱250,000.00
25	Over ₱400,000.00 but not over	₱22,500.00 + 20% of the
26	₱800,000.00	excess over ₱400,000.00
27	Over ₱800,000.00 but not over	₱102,500.00 + 25% of the
28	₱2,000,000.00	excess over ₱800,000.00
29	Over ₱2,000,000.00 but not over	₱402,500.00 + 30% of the
30	₱8,000,000.00	excess over ₱2,000,000.00
31	Over ₱8,000,000.00	₱2,202,500.00 + 35% of the
		Excess over ₱8,000,000.00

31 **Tax Schedule Effective January 1, 2026 and onwards:**

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**Not over P300,000.00** **0%**

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**Over P300,000.00 but not over** **15% of the excess over**

35

**P400,000.00** **P300,000.00**

36

**Over P400,000.00 but not over** **P15,000.00 + 20% of the**  
**P800,000.00** **excess over P400,000.00**

37

38

**Over P800,000.00 but not over** **P95,000.00 + 25% of the**  
**P2,000,000.00** **excess over P800,000.00**

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**Over P2,000,000.00 but not over** **P395,000.00 + 30% of the**  
**P8,000,000.00** **excess over P2,000,000.00**

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**Over P8,000,000.00** **P2,195,000.00 + 35% of the**  
**excess over P8,000,000.00**

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**SEC. 2. Implementing Rules and Regulations.** -The Department of Finance  
44 shall issue the rules and regulations necessary for the implementation of this Act  
45 within thirty (30) days from the effectivity hereof.

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**SEC. 3. Repealing Clause.** -All other laws, acts, presidential decrees, executive  
48 orders, presidential proclamations, issuances, rules and regulations, or parts  
49 thereof which are contrary to or inconsistent with any of the provisions of this Act  
50 are hereby repealed, amended, or modified accordingly.

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**SEC. 4. Separability Clause.** - If any portion or provision of this Act is  
53 subsequently declared invalid or unconstitutional, other provisions hereof which  
54 are not affected thereby shall remain in full force and effect.

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**SEC. 5. Effectivity.** -This Act shall take effect fifteen (15) days after its  
57 publication in the Official Gazette or in a newspaper of general circulation.

**APPROVED.**