

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **2792**



Introduced by **REP. JAVIER MIGUEL L. BENITEZ**

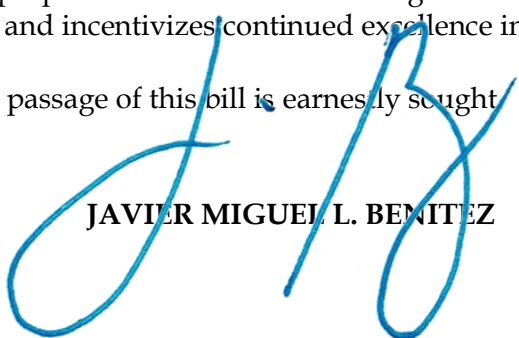
EXPLANATORY NOTE

Filipino athletes and coaches who bring honor to the country in international sports competitions deserve not only national recognition but also tangible, unburdened support. Yet under the current law, incentives and financial rewards given to them, whether by government or private sources, remain subject to various taxes, thereby reducing the full value of what is intended to reward their excellence.

This bill seeks to amend Republic Act No. 10699 (2015) also known as the “National Athletes and Coaches Benefits and Incentives Act,” to expressly exempt all incentives, rewards, bonuses, and other forms of emoluments received by competing or winning national athletes and their coaches from any and all national or local taxes, fees, and charges. It also allows for the deductibility of donations and sponsorships made prior to and shortly after international competitions, provided such contributions are used exclusively to support training and competition-related expenses.

By removing tax burdens on rewards and facilitating greater private sector support, this measure recognizes the sacrifices and achievements of national athletes and coaches as public service. It is consistent with the constitutional directive under Section 19, Article XIV of the 1987 Constitution of the Republic of the Philippines to promote sports and support the welfare of athletes.¹ The proposed tax relief acknowledges their role in strengthening national pride and unity, and incentivizes continued excellence in sports.

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


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¹ 1987 Constitution, Article XIV, Section 19

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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:

SECTION 1. *Short Title.* - This Act shall be known as the "National Athletes and Coaches Tax Relief Act".

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

SEC. 3. A new Section, designated as Section 4-A, is hereby inserted in Republic Act No. 10699, otherwise known as the "National Athletes and Coaches Benefits and Incentives Act", to read as follows:

"SEC. 4-A. EXEMPTION FROM TAXES OF INCENTIVES, REWARDS, BONUSES AND OTHER FORMS OF EMOLUMENTS RECEIVED BY COMPETING OR WINNING NATIONAL ATHLETES AND COACHES.- ALL INCENTIVES, REWARDS, BONUSES AND OTHER FORMS OF EMOLUMENTS, AS WELL AS DONATIONS, GIFTS, ENDOWMENTS AND CONTRIBUTIONS, WHETHER FROM PUBLIC OR PRIVATE PERSONS OR ENTITIES, RECEIVED BY NATIONAL ATHLETES WHO COMPETE OR WIN IN INTERNATIONAL SPORTS COMPETITIONS AS DEFINED IN THIS ACT, INCLUDING THOSE RECEIVED BY THEIR RESPECTIVE COACHES, SHALL BE EXEMPT FROM ANY AND ALL NATIONAL OR LOCAL TAXES, FEES AND CHARGES, SUBJECT TO RULES AND REGULATIONS TO BE ISSUED BY THE SECRETARY OF FINANCE, AS RECOMMENDED BY THE COMMISSIONER OF INTERNAL REVENUE: PROVIDED, HOWEVER, THAT DONATIONS, GIFTS, ENDOWMENTS AND CONTRIBUTIONS MADE PRIOR TO THE COMPETITION ITSELF AND DIRECTLY AND EXCLUSIVELY USED TO FUND TRAINING AND COMPETITION-RELATED EXPENSES, AS WELL AS INCENTIVES, REWARDS, BONUSES AND OTHER FORMS OF EMOLUMENTS RECEIVED BY COMPETING OR WINNING NATIONAL ATHLETES AND COACHES, SHALL BE CONSIDERED AS ALLOWABLE DEDUCTIONS FROM GROSS INCOME FOR PURPOSES OF COMPUTING THE TAXABLE INCOME OF THE DONOR IN ACCORDANCE WITH THE PROVISIONS OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED.

THE EXEMPTION FROM DONOR'S TAX AND DEDUCTIBILITY FROM GROSS INCOME PROVIDED HEREIN MAY BE AVAILED OF WITHIN ONE (1) YEAR BEFORE THE COMMENCEMENT OF THE INTERNATIONAL SPORTS COMPETITION WHERE THE NATIONAL ATHLETE WILL COMPETE IN, AS CERTIFIED BY THE RESPECTIVE BODIES THAT ACCREDITED THEM AND THEIR COACHES, WHICH MAY BE THE PHILIPPINE SPORTS COMMISSION PHILIPPINE OLYMPIC COMMITTEE, OR THE NATIONAL PARALYMPIC COMMITTEE OF THE PHILIPPINES, AND

WITHIN THREE (3) MONTHS AFTER THE INTERNATIONAL SPORTS COMPETITION.

THE EXEMPTIONS AND PRIVILEGES PROVIDED HEREIN SHALL TAKE EFFECT ON JANUARY 1, 2021, AND SHALL NOT BE AVAILABLE IN LIEU OF ANY TAX EXEMPTION OR PRIVILEGE GRANTED UNDER EXISTING LAWS."

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

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

SEC. 6. *Separability Clause.* - If any provision or part of this Act is declared unconstitutional and invalid. The remaining parts or provisions not affected shall remain in full force and effect.

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

Approved,