

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session
House Bill No. 3063



Introduced by: Congressman **BIENVENIDO M. ABANTE, JR.**

AN ACT
EXEMPTING BIBLES AND OTHER RELIGIOUS ARTICLES AND CERTAIN
MERCHANDISE FROM TAXES, DUTIES, FEES, AND OTHER CHARGES,
EXEMPTING CHURCHES FROM THE REQUIREMENT OF TAX EXEMPTION
CERTIFICATES IN AVAILING TAX EXEMPTIONS, AND FOR OTHER
PURPOSES

EXPLANATORY NOTE

It is a declared Principle of the State that the "Separation of the Church and State shall be inviolable." Likewise, the Constitution guarantees that no law shall be passed prohibiting the free exercise of religion, and the free exercise and enjoyment of religious profession and worship shall forever be allowed. It declares, too, that charitable institutions, churches and parsonages, and all lands, buildings and improvements, actually, directly and exclusively used for religious, charitable or educational purposes shall be exempt from taxation.

The foregoing notwithstanding, it is ironic that to enjoy tax exemption, churches are being required to secure first from the Bureau of Internal Revenue tax exemption certificates. On the other hand, Bibles and other religious articles sent to the Philippines by foreign churches that are not for sale or for profit are being taxed.

This Bill, therefore, aims to do away with the requirement of tax certificates for churches to be tax exempt from specific transactions, properties, goods, merchandise, and other articles used, directly and exclusively for religious, charitable, or educational purposes; hence, its immediate passage is earnestly requested.


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

SECTION 1. *Declaration of Policy.* — It is the Policy of the State to give full meaning to the Constitutional declaration that the separation of church and State shall be inviolable, and that churches, parsonages or convents appurtenant thereto, and lands, buildings, and improvements, actually, directly, and exclusively used for religious, charitable, or educational purposes are exempt from taxation, as well as the Constitutional guarantee on the free exercise of religion in a manner least inconvenient and with the least interference to or restrictions on the church.

SEC. 2. *Tax-Exempt transactions and Articles.* — The following transactions and articles shall be exempt from tax of any kind, including customs duties, fees, and charges:

- a. Ownership, and transfer of any nature, of real or personal property from a private person or entity to a church or from a church to another church: Provided, that such property shall be used actually, directly, and exclusively for religious, charitable, or educational purposes: Provided further, that such church is duly registered with the Securities and Exchange Commission;
- b. Bibles, Religious books or articles, medicines, and other articles and merchandise exported to the Philippines by way of donation to a church in the Philippines; Provided, That such bibles, religious books or articles, medicines or other articles or merchandise are intended for the exclusive use by such church and/or for free distribution to

and use by the members of the consignee-church or for free distribution and use by the less fortunate as may be determined by the consignee-church in coordination with the Department of Social Welfare and Development: Provided further, That such church is duly registered with the Securities and Exchange Commission; and

- c. Sports and office appliances and equipment or articles exported to the Philippines for the actual, exclusive, and direct use of the consignee- church: Provided, that such church is duly registered with the Securities and Exchange Commission.

SEC. 3. *Tax Exemption Certificates.* — The Bureau of Internal Revenue shall, upon application, issue to any church duly registered with the Securities and Exchange Commission as such a Certificate of Tax Exemption which shall be exhibited in claiming tax exemption under Section 2 hereof: Provided, that only churches duly registered with the Securities and Exchange Commission shall be entitled to such tax exemption and tax exemption certificate: Provided further, That such certificate of tax exemption shall be valid until revoked for cause by the Bureau of Internal revenue.

SEC. 4. *Revocation of Certificate of Tax Exemption.* — The Bureau of Internal Revenue shall revoke a certificate of tax exemption issued under this Act should it appear after due notice and hearing that the transaction, property, books, article, medicine or merchandise for which tax exemption was claimed was not used as provided for under Section 2 hereof: Provided, That in case of revocation of a tax exemption certificate, the church that claimed such exemption shall pay the tax, duties, fees or charges which should have been paid were it not for such exemption claimed plus a penalty equivalent to twenty five percent (25%) of the amount due: Provided further, That in case of revocation, no new certificate of tax exemption shall be issued again to such church.

SEC. 5. *Implementing Rules and Regulations.* — Within sixty (60) days from the effectivity of this Act, the Department of Finance, Bureau of Internal Revenue, Bureau of Customs, and other concerned government agencies shall jointly promulgate the implementing rules and regulations, as may be necessary to ensure the efficient and effective implementation of the provisions of this Act.

SEC. 6. *Separability Clause.* — If for any reason any section or provision of this Act, or any portion thereof, or the application of such section, provision or portion thereof to any person, group or circumstance is declared invalid or unconstitutional, the remaining provisions of this Act shall not be affected by such declaration and shall remain in force and effect.

SEC. 7. *Repealing Clause.* — All provisions of laws, decrees, executive issuances, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC. 8. – Effectivity. – This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,