

TWENTIETH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES

HOUSE BILL No. 5027



**Introduced by REPRESENTATIVES LANI MERCADO-REVILLA,
BRYAN B. REVILLA AND RAMON “JOLO” B. REVILLA III**

**AN ACT
DEFINING THE CRIME OF TAX RACKETEERING, AND PROVIDING PENALTIES
THEREOF, AMENDING FOR THE PURPOSE SECTION 257 OF THE NATIONAL
INTERNAL REVENUE CODE OF 1997, AS AMENDED**

EXPLANATORY NOTE

Taxes are mandatory contributions levied on individuals or corporations by a government entity—whether local, regional, or national. Tax revenues finance government activities, including public works and services such as roads and schools, or programs such as Social Security and Medicare.¹

Taxes have been a staple of governance around the globe for over 5,000 years and are the mechanism by which a government can provide goods and services for its citizens, who may not be able to access them otherwise.²

Taxes are the lifeblood of the Government and their prompt and certain availability are imperious need.³

As citizens, we all contribute to the needs of our country, whether or not we are directly taxed on our income. Whenever we buy goods or services, basic or otherwise, part of the purchase price constitutes tax.

It is a regrettable fact that many choose to avoid paying taxes and do so through illegal means.

This bill proposes to amend Republic Act No. 8424, otherwise known as the “National Internal Revenue Code of 1997”, by increasing the penalties imposed for

¹ <https://www.investopedia.com/terms/t/taxes.asp>. Accessed on 11 September 2025.

² <https://taxfoundation.org/taxedu/glossary/tax/>. Accessed on 11 September 2025.

³ Commissioner of Internal Revenue vs. Pineda, G. R. No. L-22734, September 15, 1967

willful attempts in any manner to evade or defeat any tax imposed under Section 257(B)(8) of the Tax Code. It aims to restore public credence and reliance on official receipts or invoices issued by the Republic of the Philippines.

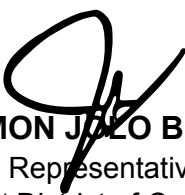
For the reasons above cited, urgent passage of this measure is sought.



REP. LANI MERCADO-REVILLA
Representative
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REP. BRYAN B. REVILLA
Representative
AGIMAT Partylist



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Representative
1st District of Cavite

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

SECTION 1. Section 257 of the National Internal Revenue Code of 1997, as amended, is hereby amended to read as follows:

“SEC. 257. Penal Liability for Making False Entries, Records or Reports, or
Using Falsified or Fake Accountable Forms. –

(A) Any financial officer or independent Certified Public Accountant
engaged to examine and audit books of accounts of taxpayers u n d e r
Section 232 (A) and any person under his direction who:

(1) xxx;

(2) xxx;

(B) Any person who:

(1) xxx

(2) xxx

(3) xxx

(4) xxx

(5) xxx

(6) xxx

(7) xxx; or

(8) Willfully attempts in any manner to evade or defeat any tax imposed under this Code, or knowingly DISTRIBUTES, ACQUIRES, uses OR AIDS IN THE USE OF UNAUTHORIZED, fake or falsified revenue official receipts,

SALES INVOICES, COMMERCIAL INVOICES, Letters of Authority, certificates authorizing registration, Tax Credit Certificates, Tax Debit Memoranda and other accountable forms shall, upon conviction for each act or omission, be punished by a fine not less than [Fifty thousand pesos (P50,000)] FIVE MILLION PESOS (P5,000,000) but not more than [One hundred thousand pesos (P100,000)] T E N MILLION PESOS (P10,000,000), and suffer] imprisonment of not less than [two (2)] SIX (6) years but not more than [six (6)] TEN (10) years. If the offender is a Certified Public Accountant, [his] THE OFFENDER'S [certificate as a Certified Public Accountant] LICENSE TO PRACTICE THE ACCOUNTING PROFESSION AND CERTIFICATE OF REGISTRATION shall be automatically revoked or cancelled upon conviction. In the case of foreigners, conviction under this Code shall result in [his] THEIR immediate deportation after serving sentence, without further proceedings for deportation.

(C) TAX RACKETEERING. – ANY PERSON WHO ENGAGES IN ANY COORDINATED SCHEME OR OPERATION TO EVADE OR DEFEAT ANY TAX IMPOSED UNDER THIS CODE THROUGH THE FRAUDULENT USE OF RECEIPTS, RETURNS, AND OTHER RECORDS, WITH A MINIMUM AMOUNT OF TEN MILLION PESOS (P10,000,000.00) IN TAXES AVOIDED, SHALL, IN ADDITION TO OTHER PENALTIES PROVIDED BY LAW, UPON CONVICTION THEREOF, SUFFER IMPRISONMENT OF NOT LESS THAN SEVENTEEN (17) YEARS BUT NOT MORE THAN TWENTY (20) YEARS: PROVIDED, THAT THE CONVICTION OR ACQUITTAL OBTAINED UNDER THIS SECTION SHALL NOT BE A BAR TO THE FILING OF A CIVIL SUIT FOR THE COLLECTION OF TAXES. IN THE CASE OF CORPORATIONS, NONGOVERNMENT ORGANIZATIONS, ASSOCIATIONS, COOPERATIVES, OR SINGLE PROPRIETORSHIPS ENGAGED IN TAX RACKETEERING, THE PENALTIES UNDER THIS SECTION SHALL BE IMPOSED ON THE OFFICERS AND ON EMPLOYEES AND INDIVIDUALS WITHOUT WHOSE PARTICIPATION THE OFFENSE COULD NOT BE COMMITTED. ACCOMPLICES, OR PERSONS WHO COOPERATE IN THE EXECUTION OF THE OFFENSE PUNISHED UNDER THIS SECTION SHALL, IN ADDITION TO OTHER PENALTIES PROVIDED BY LAW, UPON CONVICTION THEREOF, SUFFER IMPRISONMENT OF NOT LESS THAN TEN (10) YEARS BUT NOT MORE THAN SEVENTEEN (17) YEARS. PERSONS WHO HAVING KNOWLEDGE OF THE

COMMISSION OF THE CRIME, AND WITHOUT HAVING PARTICIPATED THEREIN, EITHER AS PRINCIPALS OR ACCOMPLICES, TAKE PART SUBSEQUENT TO ITS COMMISSION OF TAX RACKETEERING, INCLUDING AS TAXPAYERS PROFITING FROM THE ACTIVITIES PUNISHED UNDER THIS SECTION SHALL, IN ADDITION TO OTHER PENALTIES PROVIDED BY LAW, UPON CONVICTION THEREOF, SUFFER IMPRISONMENT OF NOT LESS THAN SIX (6) YEARS BUT NOT MORE THAN TEN (10) YEARS. ANY PUBLIC OFFICIAL WHO AIDS AND ABETS THE COMMISSION OF THE OFFENSE PUNISHED UNDER THIS SECTION SHALL, IN ADDITION TO BEING CHARGED AS AN ACCOMPLICE, SUFFER THE PENALTY OF PERPETUAL DISQUALIFICATION FROM ANY PUBLIC OFFICE.

SEC. 2. If any provision of this Act is held invalid or unconstitutional, the other provisions not affected thereby shall remain in full force and effect.

SEC. 3. All laws, presidential decrees, executive orders, rules and regulations and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 4. 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,