

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



HOUSE OF REPRESENTATIVES
HOUSE BILL No. 6030

INTRODUCED BY HON. RICARDO S. CRUZ, JR.

EXPLANATORY NOTE

Article XIV, Section 17 of the Constitution mandates the prioritization of education, science, technology, arts, culture, and sports as essential for fostering patriotism and national development. Building on this, Article XIV, Section 19 explicitly directs the State to promote physical education and comprehensive sports programs, including robust support for amateur and international competitions.

The remarkable triumphs of Filipino national athletes on the international stage are a source of our pride and inspiration. From Hidilyn Diaz's historic Olympic gold medal in Weightlifting to Carlos Yulo's multiple gold medals in Gymnastics at the 2024 Paris Olympics, and the Philippine delegation's strong performance in the 2023 Southeast Asian Games (securing 58 gold, 85 silver, and 117 bronze medals), our athletes continue to prove their sheer grit and relentless dedication, inspiring and uniting Filipinos across generations. Furthermore, these achievements have ignited substantial financial support from both the public and private sectors.

However, while government-provided incentives are excluded from income tax under Section 32(B)(7)(d) of the National Internal Revenue Code (NIRC), gifts and rewards from private individuals and corporations are still subject to donor's tax of 6%. Furthermore, the value of the donation is not fully deductible from the donor's

taxable income. This creates a tax burden that hinders private sector efforts to contribute meaningfully to the support and development of Filipino athletes.

This measure seeks to provide a comprehensive exemption from all applicable taxes and fees on winnings, prizes, awards, and donations received by national athletes and coaches. In doing so, it fully recognizes and rewards not just their victories, but also the hard work and sacrifices they have made to bring pride to the Philippines. It also promotes increased private sector participation by removing financial barriers to charitable giving. Ultimately, this measure reinforces the vital role of sports in fostering national pride and contributing to inclusive and sustainable development.

In line with the policy adopted by its original proponent Senator Pia S. Cayetano, this bill therefore serves as a counterpart measure. It is for the reasons stated above that the passage of this measure is earnestly sought.


RICARDO S. CRUZ, JR.

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AN ACT
EXEMPTING FROM TAXES ALL INCENTIVES, REWARDS, BONUSES, EMOLUMENTS, DONATIONS, GIFTS, ENDOWMENTS AND CONTRIBUTIONS RECEIVED BY NATIONAL ATHLETES AND COACHES WHO WIN IN INTERNATIONAL SPORTS COMPETITIONS, 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 House of Representatives of the Philippines in Congress assembled:

Section. 1. Section 3 of Republic Act No. 10699 is hereby amended to read as follows:

Sec. 3. *Definition of Terms.* – For purposes of this Act, the following terms shall be defined as follows:

- a. xxx
- b. International sports competitions shall refer to international sports competitions under the following categories:
 1. xxx
 2. xxx
 3. Asian-level competitions held at least every two (2) years with at least **FIFTEEN (15)**[twenty-five (25)] countries participating by sport; and
xxx

Sec. 2. A new Section 10-A of Republic Act No. 10699 shall be introduced to read as follows:

SEC. 10-A. TAX EXEMPTION. ALL INCENTIVES, BONUSES, REWARDS, AND OTHER FORMS OF EMOLUMENTS, AS WELL AS DONATIONS, GIFTS, ENDOWMENTS AND CONTRIBUTIONS, WHETHER THE SAME IS FROM PUBLIC OR PRIVATE PERSONS OR ENTITIES, RECEIVED BY NATIONAL ATHLETES WHO WIN IN INTERNATIONAL SPORTS COMPETITIONS, INCLUDING THOSE RECEIVED BY THEIR NATIONAL COACHES, SHALL BE EXEMPT FROM ANY AND ALL TAXES, FEES, AND CHARGES LEVIED BY ANY GOVERNMENT AGENCY, LOCAL OR NATIONAL, SUBJECT TO THE RULES AND REGULATIONS TO BE ISSUED BY THE SECRETARY OF FINANCE, AS RECOMMENDED BY THE COMMISSIONER OF INTERNAL REVENUE: *PROVIDED*, THAT DONATIONS, GIFTS, ENDOWMENTS AND CONTRIBUTIONS RECEIVED BY WINNING NATIONAL ATHLETES AND COACHES, SHALL BE FULLY DEDUCTIBLE FROM THE GROSS INCOME OF THE DONORS IN ACCORDANCE WITH THE NATIONAL INTERNAL REVENUE CODE (NIRC) OF 1997, AS AMENDED: *PROVIDED, FURTHER*, THAT AVAILMENT OF THE ABOVE INCENTIVES AND TAX EXEMPTIONS SHALL BE MUTUALLY EXCLUSIVE AND SHALL BAR THE APPLICANT'S AVAILMENT OF ANY SIMILAR INCENTIVES GRANTED BY OTHER GENERAL OR SPECIAL LAWS, RULES OR REGULATIONS.

Sec. 3. *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. 4. *Separability Clause.* – If any portion or provision of this Act is declared unconstitutional, the remainder of this Act or any provisions not affected thereby shall remain in force and effect.

Sec. 5. *Repealing Clause.* – Any law, presidential decree or issuance, executive order, letter of instruction, rule or regulation inconsistent with the provisions of this Act is hereby repealed or modified accordingly.

Sec. 6. *Effectivity.* – This Act shall take effect after fifteen (15) days following its complete publication in the Official Gazette or a newspaper of general circulation.

Approved,