

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. **6814**



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

EXPLANATORY NOTE

This bill seeks to strengthen the conservation and protection of Philippine cultural heritage by creating robust incentive mechanisms. For Filipino heritage to endure, it must become an asset rather than a burden. Moving beyond regulation alone, sustainable preservation depends on a dynamic system of fiscal incentives and support that enables property owners, heritage workers, and cultural institutions to actively safeguard and pass on the nation's legacy.

The Philippines is endowed with a rich cultural heritage embodied in historic sites, monuments, ancestral houses, places of worship, and other tangible and intangible properties that reflect the nation's identity and collective memory. To safeguard this legacy, the 1987 Constitution mandates the State to conserve, promote, and popularize the nation's historical and cultural heritage, resources, and artistic creations.¹ It likewise obligates the government to protect cultural treasures and historical properties for future generations.²

Republic Act ("R.A.") No. 10066 (2009), otherwise known as the *National Cultural Heritage Act*, as amended, was enacted to provide a legal framework for cultural conservation, but its implementation has highlighted the financial strain of preservation. Current laws do not adequately address the economic realities faced by private property owners and developers, who often incur high costs for maintenance and restoration.

With limited access to funding or tax relief, many see preservation as an economic dead end. As a result, countless irreplaceable structures have

¹ 1987 Const. Article XIV, Sec. 15.

² *Id.* Sec. 16.

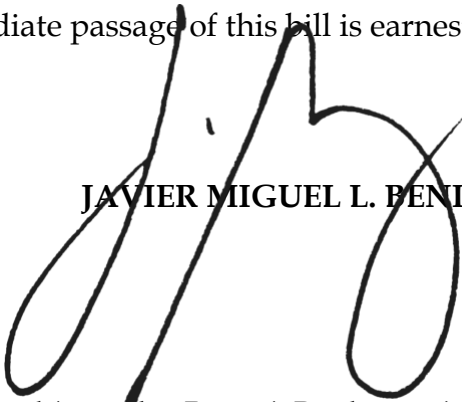
deteriorated, been neglected, or even demolished. In a 2017 study on the revitalization of Escolta, Manila, it was found that property owners' lack of interest was a primary obstacle to build-heritage conservation, as many would rather sell or let the property deteriorate than be burdened by preservation costs without a clear return on investment.³

Local government units, on the other hand, have struggled to balance fiscal requirements with the need to grant property tax incentives for heritage protection. Despite the existence of R.A. No. 10066, a lack of funding, political support, and popular participation remains a key challenge to its implementation.⁴ Without adequate fiscal support, compliance with preservation laws becomes a burdensome obligation, rather than a shared goal.

This legislative measure introduces tangible solutions to these challenges through tax exemptions, credits, and deductions for Grade I and II level cultural properties; providing real property tax relief and concessional loans for heritage conservation; extending income tax benefits for businesses and service providers engaged in restoration; and creating a National Heritage Resource Assistance Program to provide grants and accessible financing. It further enhances the integration of cultural education, provides incentives for heritage workers, and strengthens penal provisions against the destruction or illicit trade of cultural properties.

Through these reforms, the bill not only strengthens the protective framework of R.A. No. 10066, as amended, but also transforms conservation into a collaborative endeavor between the State, the private sector, and civil society. By providing tangible incentives, the measure ensures that heritage conservation becomes not only a legal duty but also a viable and attractive undertaking for property owners, stakeholders, and the broader community.

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



JAVIER MIGUEL L. BENITEZ

³ L.N.O. Palaña, *The Cultural Heritage-Oriented Approach to Economic Development in the Philippines: A Comparative Study of Vigan, Ilocos Sur and Escolta, Manila* (unpublished master's thesis, De La Salle University 2017).

⁴ J.F.M. De Jesus et al., *Practices and Challenges Encountered in the Implementation of Republic Act 10066 in the Province of Laguna*, 10 INT'L J. RsCH. Publications 22, Oct. 2022.

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House Bill No. **6814**

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**AN ACT STRENGTHENING THE CONSERVATION AND PROTECTION
OF PHILIPPINE CULTURAL HERITAGE THROUGH HERITAGE
INCENTIVES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO.
10066, OTHERWISE KNOWN AS THE "NATIONAL CULTURAL
HERITAGE ACT OF 2009"**

*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 “*Sagip Kultura Act.*”

SEC. 2. Republic Act No. 10066, otherwise known as the “National Cultural Heritage Act of 2009,” is hereby amended to read as follows:

xxx

**“ARTICLE IX
CULTURAL PROPERTY INCENTIVE PROGRAM**

SEC. 38. Tax Exemption on Donations. – x x x.

**SEC. 39. TAX BENEFITS FOR GRADE I AND II LEVEL CULTURAL
PROPERTIES. – GRADE I AND II LEVEL CULTURAL PROPERTIES
SHALL BE ENTITLED TO THE FOLLOWING:**

- 1. GRADE I AND II LEVEL CULTURAL PROPERTIES SHALL BE
EXEMPT FROM ALL TAXES ARISING FROM, OR INCIDENTAL TO,
TRANSFERS OR CHANGES IN OWNERSHIP, SUCH AS BUT NOT
LIMITED TO:**

- a. ESTATE TAXATION
 - b. CAPITAL GAINS TAXATION;
 - c. DOCUMENTARY STAMP TAXES; AND
 - d. VALUE ADDED TAXES;
- 2. GRADE I AND II LEVEL CULTURAL PROPERTIES AND THE PARCEL OF LAND ON WHICH THE PROPERTIES STAND SHALL BE EXEMPT FROM REAL PROPERTY TAXES. SUPPOSE THE PARCEL OF LAND IS GROSSLY DISPROPORTIONATE TO THE SIZE OF THE CULTURAL PROPERTY, AND IS NOT ITSELF PART OF THE SCOPE OF THE CULTURAL PROPERTY. IN THAT CASE, THE LAND EXEMPT FROM TAXATION SHALL BE LIMITED TO THE BUILDING FOOTPRINT AND A REASONABLE BUFFER ZONE AROUND THE PROPERTY TO PROTECT BOTH ITS STRUCTURAL INTEGRITY AND ITS HISTORICAL OR CULTURAL CONTEXT, AS MAY BE DELIMITED BY THE COMMISSION.
- 3. GRADE III LEVEL CULTURAL PROPERTIES MAY BE EXEMPTED FROM REAL PROPERTY TAXES BY A CITY OR MUNICIPALITY ADOPTING AN ORDINANCE GRANTING SUCH AN EXEMPTION, WHETHER FOR A SPECIFIC SITE OR FOR ALL CULTURAL PROPERTIES WITHIN THEIR TERRITORIAL JURISDICTION.
- 4. INCOME DERIVED BY OPERATING A BUSINESS ESTABLISHMENT WITHIN GRADE I AND II LEVEL CULTURAL PROPERTIES SHALL BE SUBJECT TO THE FOLLOWING:
 - a. A GROSS INCOME TAX RATE OF FIVE PERCENT (5%) PROVIDED THAT THE BUSINESS OPERATIONS ARE LIMITED SOLELY TO ONE OR MORE GRADE I AND II LEVEL CULTURAL PROPERTIES; AND
 - b. A DOUBLE DEDUCTION OF EXPENSES ACTUALLY INCURRED FROM THE REPAIR, MAINTENANCE, RESTORATION, MANAGEMENT, OR RECONSTRUCTION OF COVERED PROPERTY, REGARDLESS OF WHETHER THE OWNER IS A NATURAL OR JURIDICAL PERSON, OR WHETHER ONLY PART OF ITS BUSINESS OPERATIONS ARE LOCATED IN ONE OR MORE COVERED PROPERTIES;
- 5. INCOME DERIVED BY THIRD PARTIES SPECIFICALLY FROM THE REPAIR, MAINTENANCE, RESTORATION, MANAGEMENT, OR RECONSTRUCTION OF GRADE I AND II LEVEL CULTURAL PROPERTIES SHALL BE EXEMPT FROM INCOME TAXATION; AND
- 6. THE IMPORTATION OF MATERIALS SPECIFICALLY IDENTIFIED BY THE COMMISSION AS ESSENTIAL FOR THE REPAIR, MAINTENANCE, RESTORATION, MANAGEMENT, OR

RECONSTRUCTION OF COVERED PROPERTY SHALL BE EXEMPT FROM BOTH IMPORT DUTIES AND VALUE-ADDED TAXATION.

SEC. 40. TAX CREDITS FOR THE RESTORATION OF GRADE I AND II LEVEL CULTURAL PROPERTIES. – EXPENSES RELATED TO THE RESTORATION OF GRADE I AND II LEVEL CULTURAL PROPERTIES MAY BE CLAIMED AS TAX CREDITS, IN ACCORDANCE WITH THE PROVISIONS OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, PROVIDED THE WORK IS APPROVED BY THE COMMISSION.

SEC. 41. ELIGIBILITY FOR INCENTIVES. – THE FOLLOWING SHALL BE ENTITLED TO INCENTIVES AND OTHER BENEFITS PROVIDED IN THIS ACT FOR GRADE I AND II LEVEL CULTURAL PROPERTIES, EXCEPT OTHERWISE PROVIDED:

- 1. THE APPLICANT - THE APPLICANT, EXCEPT OTHERWISE PROVIDED, SHALL BE ANY OF THE FOLLOWING:**
 - a. THE OWNER OF THE CULTURAL PROPERTY;**
 - b. A PERSON DESIGNATED AS THE ADMINISTRATOR OF THE CULTURAL PROPERTY, HOLDING RELEVANT AND APPLICABLE AUTHORIZATION IN RELATION TO THE PROPERTY;**
 - c. A TRUSTEE FOR AND ON BEHALF OF THE OWNERS OF THE CULTURAL PROPERTY, AS HEREINAFTER PROVIDED;**
 - d. A THIRD PARTY CONDUCTING BUSINESS IN THE CULTURAL PROPERTY, PROVIDED IT IS DULY AUTHORIZED BY THE OWNER, ADMINISTRATOR, OR TRUSTEE TO APPLY FOR THE BENEFITS AND INCENTIVES; AND**
 - e. A THIRD PARTY DONATING FOR, OR CHARGED WITH, THE REPAIR, MAINTENANCE, RESTORATION, MANAGEMENT, OR RECONSTRUCTION OF THE CULTURAL PROPERTY.**
- 2. HERITAGE TRUSTEE. - THE FOLLOWING SHALL GOVERN THE DESIGNATION OF A HERITAGE TRUSTEE:**
 - a. IF THE APPLICANT IS UNABLE TO ESTABLISH CLEAR AND FULL OWNERSHIP OVER THE CULTURAL PROPERTY DUE TO THE LACK OF FULL AND PROPER DOCUMENTATION, SUCH AS, BUT NOT LIMITED TO:**

- i. THE FAILURE TO PROPERLY DOCUMENT THE TRANSFER OF THE PROPERTY THROUGH ESTATE PROCEEDINGS;
- j. THE INABILITY TO OBTAIN FULL CONSENT FROM ALL CO-OWNERS OF THE PROPERTY; AND
- 11. THE NON-REGISTRATION UNDER THE TORRENS SYSTEM OF THE LAND ON WHICH THE PROPERTY IS LOCATED,

THE APPLICANT, IN A VERIFIED APPLICATION FILED IN THE COURT HAVING JURISDICTION OVER THE COVERED PROPERTY, MAY ESTABLISH HIS OR HER CLAIM OVER THE PROPERTY BY AFFIDAVITS AND COLLATERAL EVIDENCE, AND AFTER PUBLICATION AND IN A SUMMARY PROCEEDING, THE COURT MAY DESIGNATE THE APPLICANT AS A TRUSTEE IN FAVOR OF ALL OTHER POSSIBLE RIGHTS HOLDERS TO THE PROPERTY; AND NET INCOME OF THE PROPERTY FOR THE BENEFIT OF SUCH OTHER RIGHTS HOLDERS.

- b. THE COURT SHALL FURTHER REQUIRE THAT THE APPLICANT DEPOSIT IN A TRUST FUND A PORTION OF THE NET INCOME OF THE PROPERTY FOR THE BENEFIT OF SUCH OTHER RIGHTS HOLDERS.

SEC. 42. National Heritage Resource Assistance Program. — The Commission may provide financial assistance in the form of a grant to historic, archaeological, architectural, or artistic organizations for conservation or research on cultural property. No grant made pursuant to this Act shall be treated as taxable income.

THE COMMISSION MAY ALSO ESTABLISH A FUND WITHIN APPROPRIATE GOVERNMENT FINANCIAL INSTITUTIONS (GFIS) TO ESTABLISH LOAN PROGRAMS AT CONCESSIONAL RATES TO FACILITATE THE PRESERVATION AND STEWARDSHIP OF PRIVATELY OR PUBLICLY OWNED GRADE I AND II LEVEL CULTURAL PROPERTIES. THE COMMISSION, WORKING CLOSELY, AND UNDER SUCH GUIDELINES ESTABLISHED, WITH THE GFI, SHALL PROVIDE SUCH NECESSARY REQUIREMENTS, SUCH AS THE SUBMISSION OF A RESTORATION OR ADAPTIVE REUSE PLAN, BUSINESS PLAN, COLLATERAL, PAYMENT STRATEGY, GUARANTOR, AMONG OTHERS, PROVIDED THAT SUCH REQUIREMENTS ARE NOT UNDULY BURDENSOME NOR UNREASONABLE UNDER THE CIRCUMSTANCES.

SEC. 43. Awards and Citations. — x x x.”

“ARTICLE X

CULTURAL EDUCATION

SEC. 44. Incorporation of National Cultural Treasures and Important Cultural Property in the Basic Education System. — x x x.

SEC. 45. Cultural Heritage Education Program. — x x x.”

“ARTICLE XI CULTURAL HERITAGE WORKERS’ INCENTIVES PROGRAM

SEC. 46. Cultural Heritage Workers’ Incentives. — x x x.”

“ARTICLE XII SENTRO RIZAL

SEC. 47. Creation of Sentro Rizal. — x x x.

SEC. 48. Overseas Branches or Offices of Sentro Rizal. — x x x.

SEC. 49. Coordination and Supervision with Philippine Schools. — x x x.

SEC. 50. Services Offered. — x x x.

SEC. 51. Provision of Tourism, Trade, and Investment Materials to the Sentro Rizal. — x x x.

SEC. 52. Appropriations. — x x x.”

“ARTICLE XIII PENAL PROVISIONS

SEC. 53. **Prohibited Acts.** — To the extent that the offense is not punishable by a more severe punishment under another provision of law, violations of this Act may be made by whoever intentionally:

(a) Destroys, demolishes, mutilates, or damages any ~~[world heritage site, national cultural treasures,]~~ GRADE I OR GRADE II LEVEL CULTURAL PROPERTY, ~~{or}~~ PRESUMED Important Cultural Property ~~[and archaeological and anthropological sites,]~~ WITHOUT THE PRIOR WRITTEN PERMISSION FROM THE COMMISSION;

(b) Modifies, alters, or destroys the original features of or undertakes construction or real estate development in any ~~[national shrine, monument, landmark and other historic edifices and structures, declared, classified, and marked by the National Historical Institute as such]~~ GRADE I OR

GRADE II LEVEL CULTURAL PROPERTY, AND PRESUMED IMPORTANT CULTURAL PROPERTY, without the prior written permission from the Commission. This includes the designated security or buffer zone, extending five (5) meters from the visible perimeter of the monument or site;

(c) Explores, excavates, or undertakes diggings for the purpose of obtaining materials of cultural historical value without prior written authority from the ~~[National Museum]~~ **COMMISSION**. No excavation or digging shall be permitted without the supervision of a certified archaeologist;

(d) Appropriates excavation finds contrary to the provisions of the New Civil Code and other pertinent laws;

(e) Imports, sells, distributes, procures, acquires, or exports cultural property stolen, or otherwise lost against the will of the lawful owner;

(f) Illicitly exports cultural property listed in the Philippine Registry of ~~[Cultural Property]~~ **HERITAGE** or those that may be categorized as such upon visitation or incorrectly declares the same during transit; and

(g) Deals in cultural property without a proper registration and a license issued by the ~~[cultural agency concerned]~~ **COMMISSION**.

SEC. 54. Penal Provisions. — x x x."

"ARTICLE XIV ENDOWMENT

SEC. 55. National Endowment for Culture and the Arts. — x x x."

SEC. 3. Appropriations. — The initial amount of Five Hundred Million Pesos (P 500,000,000.00) necessary to carry out the provisions of this Act shall be appropriated from the funds not otherwise appropriated and is available in the National Treasury. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 4. Joint Congressional Oversight Committee. — There is hereby created a Joint Congressional Oversight Committee (JCOC) to oversee, monitor, and evaluate the implementation of this Act. The JCOC shall comprise five (5) members, one from the Senate and one from the House of Representatives, with the Chairpersons of the Senate Committee on Culture and the Arts and the House Committee on Basic Education and Culture serving as Co-Chairpersons. The

Senate President and the Speaker of the House of Representatives shall designate the other four (4) members of the JCOC from among the members of the Senate Committee on Culture and the Arts and the House Committee on Basic Education and Culture, respectively, one (1) member of which shall be from the minority.

SEC. 5. *Implementing Rules and Regulations.* — Within sixty (60) days from the effectivity of this Act, the Commission shall, in coordination with concerned agencies of the government, promulgate the necessary rules and regulations for the proper implementation of this Act.

SEC. 6. *Separability Clause.* — Should any portion or provision of this Act be declared unconstitutional, the same shall not affect the validity and effectivity of the other portions or provisions hereof not affected thereby.

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

SEC 8. *Effectivity.* — This Act shall take effect after fifteen (15) days following the completion of its publication in the Official Gazette or in a newspaper of general circulation

Approved,