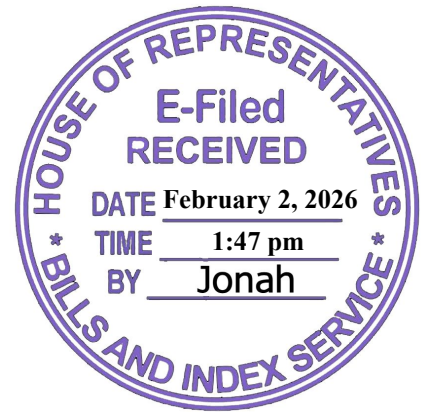


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 7531



Introduced by:

HON. CHRISTOPHERSON "COCO" M. YAP

EXPLANATORY NOTE

The Philippines is one of the most disaster-prone countries in the world, and every year typhoons, floods, earthquakes, and volcanic eruptions leave families and businesses struggling to recover. In the wake of these calamities, people urgently need food, shelter, and resources to rebuild their homes and livelihoods, yet this is often the very moment when paying real property taxes becomes hardest. While the law already allows local governments to grant tax relief during calamities, the availability and timing of such relief vary widely, leaving many affected taxpayers without timely support.

This measure responds to a simple but urgent reality: disaster-stricken families deserve immediate and predictable relief. It establishes a uniform, mandatory minimum package of real property tax relief that automatically applies once a state of calamity is declared. By requiring local councils to enact time-bound relief, such as the condonation of penalties and interest and the deferral of tax payments without additional charges, the measure ensures that help is prompt, fair, and grounded in the proper legislative process, while still respecting local autonomy and allowing LGUs to provide greater assistance when their resources allow.

Beyond easing the burden on affected taxpayers, the bill promotes transparency, accountability, and community solidarity. It sets clear criteria to identify eligible properties, requires reporting on the fiscal impact of the relief, and includes safeguards against abuse. It also encourages private generosity by providing donor's tax relief for legitimate calamity donations, while maintaining reporting requirements and cost controls. Taken together, the measure delivers much-needed

financial breathing space in times of crisis, supports faster recovery, and ensures that compassion is translated into clear, fair, and accountable public policy.

In view of the foregoing, **ug sa ngalan sa SERBISYONG TINUORAY**, the undersigned respectfully requests the immediate passage of this measure.


CHRISTOPHERSON "COCO" M. YAP
Representative, Second District of Southern Leyte

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HON. CHRISTOPHERSON “COCO” M. YAP

AN ACT
PROVIDING FOR MANDATORY TAX RELIEF IN TIMES OF CALAMITY

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

SECTION 1. Short Title. — This Act shall be known as the “*Mandatory Tax Relief in Times of Calamity Act*.”

SECTION 2. Declaration of Policy. — It is hereby declared the policy of the State to provide immediate and equitable tax relief to persons and businesses in areas declared under a state of calamity, while ensuring transparency, preventing abuse, and preserving the fiscal viability of local government units (LGUs) consistent with the basic policy of local autonomy.

SECTION 3. Definition of Terms. — For purposes of this Act:

- (a) ***State of Calamity*** refers to a declaration by the local sanggunian over an LGU or portion thereof, based on the recommendation of the appropriate local disaster risk reduction and management council and damage assessment and needs analysis.
- (b) ***Affected Real Property*** refers to land, building, machinery, or other improvement: (1) located within the area covered by the declaration of state of calamity; and (2) certified by the local assessor, local engineering office, or other office designated by the LGU as having sustained physical damage, loss

of use, or material impairment due to the calamity, under criteria to be set by the implementing rules.

- (c) **Qualified Donee Organization** refers to a juridical entity organized and operating on a non-stock, non-profit basis, including recognized non-government organizations, civic organizations, and foundations, that receives donations exclusively for calamity relief, rehabilitation, or recovery in the declared calamity area.

SECTION 4. Mandatory Real Property Tax (RPT) Relief. —

- (a) **Minimum Relief; Mandatory Ordinance.** — Within thirty (30) days from the declaration of a state of calamity, the concerned sanggunian shall enact an ordinance granting, at a minimum, the following relief for Affected Real Property:
- (1) Condonation of penalties and interest on unpaid RPT that fall due during the period of the declared state of calamity and for six (6) months thereafter; and
 - (2) Deferral, without penalties and interest, of the payment of RPT that fall due during the period of the declared state of calamity, until six (6) months after the lifting of the declaration.
- (b) **Optional Enhanced Relief.** — The sanggunian may, by the same ordinance or a supplemental ordinance, provide additional relief, including partial or total condonation or reduction of the basic RPT, and/or extension of the deferral period: *Provided*, That the total period of such enhanced relief shall not exceed two (2) fiscal years from the date of the declaration unless otherwise authorized by law.
- (c) **Coverage and Targeting.** — The ordinance shall specify the barangays or areas covered, and the criteria and process for certification of Affected Real Property. Relief under this Section shall be limited to Affected Real Property, except that the sanggunian may include residential properties generally within the declared area if the calamity resulted in widespread damage and displacement as shown in the damage assessment.
- (d) **Non-Refund Rule.** — Relief under this Act shall apply prospectively. No refund shall be granted for taxes previously paid prior to the effectivity of the

ordinance, unless the sanggunian expressly authorizes such refund under existing laws and auditing rules.

- (e) **Transparency and Reporting.** — The LGU shall publish the ordinance and implementing guidelines on its official website, if any, and post them in at least three (3) conspicuous public places. Within sixty (60) days from effectivity of the ordinance, the LGU shall submit to the Bureau of Local Government Finance (BLGF) a report on the estimated revenue impact and the number of properties benefited.

SECTION 5. Donor's Tax Relief for Calamity Donations. —

- (a) **Exemption.** — Donations made during the effectivity of a declaration of a state of calamity, intended exclusively for relief, rehabilitation, or recovery of affected communities in the declared area, shall be exempt from donor's tax, subject to the requirements of this Section.
- (b) **Automatic Application; No Prior Accreditation as a Condition Precedent.** — The exemption shall apply without requiring prior accreditation as a condition for the donor's tax exemption: *Provided*, That the Qualified Donee Organization complies with the post-donation reporting and transparency requirements under this Act.
- (c) **Administrative Cost Cap.** — Not more than ten percent (10%) of the total donations received under this Section may be used by the donee for administrative expenses.
- (d) **Reporting; Public Disclosure.** — Qualified Donee Organizations shall submit to the Bureau of Internal Revenue (BIR), within ninety (90) days after the end of each quarter, a sworn report of donations received and disbursed, including the purposes and beneficiaries, in such form as may be prescribed. They shall likewise post a summary report in a publicly accessible platform, when practicable.
- (e) **Anti-Abuse; Withdrawal of Exemption.** — Amounts used for purposes outside calamity relief, rehabilitation, or recovery, or in excess of the administrative cost cap, shall be subject to donor's tax and applicable penalties, without prejudice to other civil, criminal, and administrative liabilities.

SECTION 6. Implementing Rules and Regulations. — Within sixty (60) days from the effectivity of this Act:

- (a) The Department of Finance, through the BLGF, in coordination with the Department of the Interior and Local Government (DILG), shall issue uniform guidelines for LGUs on Section 4, including the certification process for Affected Real Property and the minimum ordinance provisions.
- (b) The BIR shall promulgate the rules for Section 5.

SECTION 7. Separability Clause. — If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in full force and effect.

SECTION 8. Repealing Clause. — All laws, decrees, executive orders, rules and regulations, or parts thereof contrary to or inconsistent with the provisions of this Act are amended, repealed or modified accordingly.

SECTION 9. Effectivity. — This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,