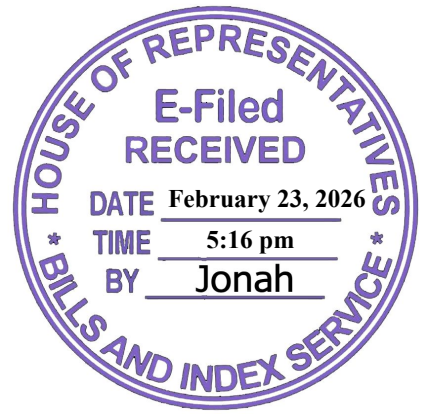


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. 7977



Introduced by Representative ERIC G. YAP

EXPLANATORY NOTE

This bill seeks to exempt from all national and local taxes the incentives, rewards, bonuses, donations, gifts, endowments, and other forms of emoluments received by national athletes and their coaches in connection with international sports competitions.

Filipino athletes who compete and win in international sports competitions bring immense honor to the country. Their victories elevate the nation's standing in the global arena and inspire millions of Filipinos. However, despite the intent of existing law to reward excellence in sports, financial incentives granted to athletes and coaches remain subject to taxation, thereby diminishing the full measure of recognition and support that the State seeks to provide.

Republic Act No. 10699, otherwise known as the "*National Athletes and Coaches Benefits and Incentives Act*", grants cash incentives and other benefits to medalists in prestigious competitions such as the Olympic Games, Paralympic Games, Asian Games, and Southeast Asian Games. Yet, without explicit tax exemption, portions of these incentives are reduced through income and other related taxes. This runs counter to the spirit of the law, which aims to fully reward achievement and encourage continued excellence in sports.

This measure ensures that all incentives and related financial support received by national athletes and coaches in connection with international sports competitions are exempt from national and local taxes. It also provides tax deductibility for donations and contributions directly used for training and competition-related expenses

By removing the tax burden on these incentives, the State affirms its commitment to genuinely support and honor its athletes and coaches who dedicate their lives to representing the country.

In view of the foregoing, the immediate approval of this measure is earnestly sought.


HON. ERIC G. YAP

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

TWENTIETH CONGRESS
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House Bill No. 7977

Introduced by Representative ERIC G. YAP

AN ACT
TO EXEMPT NATIONAL ATHLETES AND COACHES FROM TAXES
RECEIVED FROM INCENTIVES, REWARDS, BONUSES, AND OTHER
EMOLUMENTS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 10699,
OTHERWISE KNOWN AS THE “NATIONAL ATHLETES AND COACHES
BENEFITS AND INCENTIVES ACT”, AND FOR OTHER PURPOSES

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 “*Tax Exemption for National Athletes and Coaches Act*”.

SEC. 2. *Declaration of Principle.* — The State shall give priority to sports to foster patriotism and nationalism, accelerate social progress, and promote total human liberation and development. Towards this end, the State shall look after the welfare of national athletes and coaches by providing benefits and incentives for qualified athletes and coaches who compete or win in international sports competitions and bring honor and recognition to the country.

SEC. 3. A new Section, designated as Section 4-A, is hereby inserted in Republic Act No. 10699, otherwise known as the “*National Athletes and Coaches Benefits and Incentives Act*”, to read as follows:

“SEC. 4-A. EXEMPTION FROM TAXES OF INCENTIVES,
REWARDS, BONUSES AND OTHER FORMS OF EMOLUMENTS
RECEIVED BY COMPETING OR WINNING NATIONAL ATHLETES
AND COACHES. — ALL INCENTIVES, REWARDS, BONUSES
AND OTHER FORMS OF EMOLUMENTS, AS WELL AS
DONATIONS, GIFTS, ENDOWMENTS AND CONTRIBUTIONS,
WHETHER FROM PUBLIC OR PRIVATE PERSONS OR ENTITIES,
RECEIVED BY NATIONAL ATHLETES WHO COMPETE OR WIN
IN INTERNATIONAL SPORTS COMPETITIONS AS DEFINED IN
THIS ACT, INCLUDING THOSE RECEIVED BY THEIR
RESPECTIVE COACHES, SHALL BE EXEMPT FROM ANY AND

ALL NATIONAL OR LOCAL TAXES, FEES AND CHARGES, SUBJECT TO RULES AND REGULATIONS TO BE ISSUED BY THE SECRETARY OF FINANCE, AS RECOMMENDED BY THE COMMISSIONER OF INTERNAL REVENUE: *PROVIDED, HOWEVER,* THAT DONATIONS, GIFTS, ENDOWMENTS AND CONTRIBUTIONS MADE PRIOR TO THE COMPETITION ITSELF AND DIRECTLY AND EXCLUSIVELY USED TO FUND TRAINING AND COMPETITION-RELATED EXPENSES, AS WELL AS INCENTIVES, REWARDS, BONUSES AND OTHER FORMS OF EMOLUMENTS RECEIVED BY COMPETING OR WINNING NATIONAL ATHLETES AND COACHES, SHALL BE CONSIDERED AS ALLOWABLE DEDUCTIONS FROM GROSS INCOME FOR PURPOSES OF COMPUTING THE TAXABLE INCOME OF THE DONOR IN ACCORDANCE WITH THE PROVISIONS OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED.

THE EXEMPTION FROM DONOR'S TAX AND DEDUCTIBILITY FROM GROSS INCOME PROVIDED HEREIN MAY BE AVAILED OF WITHIN ONE (1) YEAR BEFORE THE COMMENCEMENT OF THE INTERNATIONAL SPORTS COMPETITION WHERE THE NATIONAL ATHLETE WILL COMPETE IN, AS CERTIFIED BY THE RESPECTIVE BODIES THAT ACCREDITED THEM AND THEIR COACHES, WHICH MAY BE THE PHILIPPINE SPORTS COMMISSION, PHILIPPINE OLYMPIC COMMITTEE, OR THE NATIONAL PARALYMPIC COMMITTEE OF THE PHILIPPINES, AND WITHIN THREE (3) MONTHS AFTER THE INTERNATIONAL SPORTS COMPETITION. THE EXEMPTIONS AND PRIVILEGES PROVIDED HEREIN SHALL TAKE EFFECT ON JANUARY 1, 2021 AND SHALL NOT BE AVAILED IN LIEU OF ANY TAX EXEMPTION OR PRIVILEGE GRANTED UNDER EXISTING LAWS."

SEC. 4. *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. 5. *Separability Clause.* – If any portion or provision of this Act is declared invalid or unconstitutional, other provisions hereof shall remain in full force and effect.

SEC. 6. *Repealing Clause.* – All laws, presidential decrees, executive orders, rules and regulations which are inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SEC. 7. *Effectivity.* – This Act shall take effect fifteen days (15) after its publication in the Official Gazette or in a national newspaper of general circulation.

Approved,