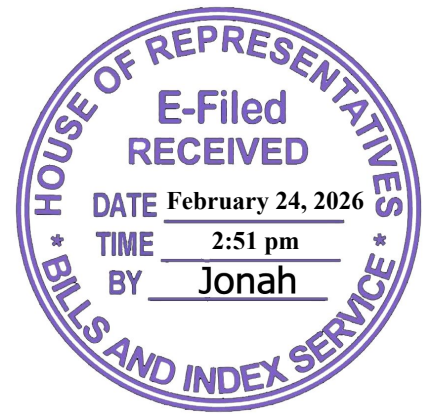


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. 8046



Introduced by Representative ERIC G. YAP

EXPLANATORY NOTE

This bill seeks to institutionalize tax literacy and responsibility in intermediate, secondary, technical-vocational, and tertiary education in order to strengthen voluntary tax compliance and foster a culture of accountability among future taxpayers.

The Bureau of Internal Revenue (BIR) has consistently reported gaps between revenue targets and actual collections, while the Department of Finance (DOF) has emphasized that improving voluntary compliance is more sustainable and cost-efficient than relying solely on enforcement measures¹.

In the Philippines, where tax-to-GDP ratio has historically lagged behind many regional peers,² building tax morale early in life becomes imperative. These realities underscore the need for structured and age-appropriate taxpayer education that not only explains how taxes are collected, but also clarifies where public funds go and how citizens can demand accountability.

This proposed measure integrates tax education into the formal curriculum and aligns it with youth development initiatives. This cultivates informed, responsible, and engaged citizens. These future taxpayers understand that paying the correct taxes on time supports essential public services, infrastructure, and national development.

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


HON. ERIC G. YAP

¹ Kirchler, E., Hoelzl, E., & Wahl, I. (2008). Enforced versus voluntary tax compliance: The “slippery slope” framework. *Journal of Economic Psychology*, 29(2), 210–225. <https://doi.org/10.1016/j.joep.2007.05.004>

² Department of Finance. (2023). *Department of Finance annual report*. <https://www.dof.gov.ph>

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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TWENTIETH CONGRESS
First Regular Session

House Bill No. **8046**

Introduced by Representative ERIC G. YAP

AN ACT
MANDATING THE TEACHING OF TAX LITERACY, CONSCIOUSNESS AND
RESPONSIBILITY IN INTERMEDIATE, SECONDARY,
TECHNICAL-VOCATIONAL, AND TERTIARY EDUCATION, 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 Consciousness and Responsibility Act*”.

SEC. 2. *Declaration of Policy.* — It is a constitutionally declared policy of the State to “*promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, rising standard of living, and improved quality of life for all*”. Toward this end, the State shall responsibly and responsibly exercise its inherent power of taxation in order to mobilize resources for the common good.

Corollary to this, the State shall also inculcate in its citizens the overriding importance of regularly and promptly paying the correct amount of taxes. To this end, an age-appropriate curriculum shall be included in intermediate, secondary, technical-vocational, and tertiary education in both public and private schools, colleges, and universities for the teaching of the importance of taxes as the lifeblood of the nation and tax consciousness and responsibility of every taxpayer.

Through education, to which is assigned the highest budgetary priority, the State shall instill in the youth the citizens' patriotic duty to promptly pay the correct amount of taxes as the citizens' valuable contribution to economic development and nation-building.

SEC. 3. *Definition of Terms.* — As used in this Act:

a. Tax refers to the monetary contribution levied on individuals or firms/corporations by a government entity whether local or national to finance government activities and services to the people. Tax Compliance refers to the ability and willingness of taxpayers to comply with the tax laws, declare the correct income for each year, and pay the right amount of taxes on time;

b. Tax Consciousness refers to the awareness and understanding of the concept of taxation and the importance of paying taxes on time;

c. Tax Education refers to the inclusion of tax related lessons/courses in the curricula of educational institutions aimed at instilling tax consciousness, literacy, and compliance as a civic duty or social responsibility;

d. Tax Literacy refers to the ability to know and understand the tax concepts, laws and related issues, and be updated on developments on tax and taxation;

e. Tax Morale refers to the intrinsic motivation to pay taxes, it measures taxpayer perceptions, judgments, and attitudes towards paying or evading taxes;

f. Tax Return refers to a form filed with the tax authority on which the taxpayer states his/her income, expenses and other tax information;

g. Taxation refers to the power of the State to levy charges or burdens upon persons, property or property rights for the use, operation, and support of the government to enable it to discharge its functions; and

h. Voluntary Tax Compliance refers to the ability and willingness of taxpayers to file and report honest and accurate annual returns without proactive action by the government.

SEC. 4. *Mandatory Tax Education.* — The State shall provide for the mandatory teaching of tax literacy; instilling tax consciousness, compliance, and responsibility; and improving tax morale, as defined in the preceding Section of this Act as a civic duty or social responsibility in all intermediate and secondary education classes as well as in all graduating classes in technical-vocational and tertiary education in both public and private schools, colleges, and universities.

SEC. 5. *Mandate of the Department of Education.* — The Department of Education (DepEd) is mandated to prepare age-appropriate tax education curriculum and modules, in coordination with the Commission on Higher Education (CHED) and the Technical Education and Skills Development Authority (TESDA) and in consultation with the Bureau of Internal Revenue (BIR); the Bureau of Customs (BoC); recognized tax experts, lawyers, and academicians; and local and national youth organizations: *Provided, That* private educational institutions shall adopt these curriculums and modules or modify them so long as that the

curriculums or modules they craft remain in accord with the objectives of this Act: *Provided, further,* That the DepEd shall take full responsibility for the strict, effective, and sustained implementation of the tax education curriculum and modules.

SEC. 6. *Tax Consciousness Week.* — The observance of the “Tax Consciousness Week” on the first week of April of every year as declared under Proclamation 960, s. of 1972 shall be heightened. Week-long activities shall be conducted under the auspices of the DoF in collaboration with relevant government agencies and private entities notably educational institutions and the print, broadcast, social and web media.

SEC. 7. *Complementary Role of Parents.* — Consistent with the constitutional recognition of the “natural and primary right and duty of parents in the rearing of the youth for civic efficiency and the development of moral character”, parents shall instill tax consciousness in their children at the appropriate age.

SEC. 8. *Inculcation of Tax Consciousness in Youth Development Plans.* — Inculcation of tax consciousness, literacy and compliance shall be included in the Philippine Youth Development Plan and the Local Youth Development Plans of the Sangguniang Kabataan (SK) councils and the Local Youth Development Councils (LYDCs).

SEC. 9. *Tax Education Committee.* — A Tax Education Committee is hereby created to monitor and ensure the full and strict implementation of this Act. The Committee shall be headed by the DepEd Secretary as Chairperson, the DoF secretary as Co-chairperson, and the CHED Chairperson, TESDA Director-General, and the Chairperson and Chief Executive Officer of the National Youth Commission (NYC) as members. It shall initially convene within fifteen (15) days from the effectivity of this Act. The Committee shall submit an annual report on the implementation of the Act to the Office of the President of the Senate and the Office of the Speaker of the House of Representatives.

SEC. 10. *Implementing Rules and Regulations.* — DepEd, in coordination with the CHED, TESDA, BIR, and BoC, shall promulgate the Implementing Rules and Regulations (IRR) of this Act within thirty (30) days from its effectivity.

SEC. 11. *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. 12. *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. 13. *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,