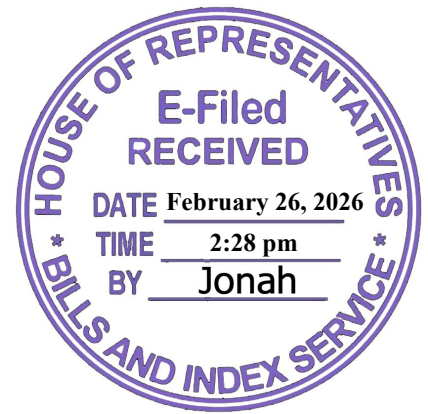


1 Republic of the Philippines
2 **HOUSE OF REPRESENTATIVES**
3 Batasan Hills, Quezon City
4

5
6 **TWENTIETH CONGRESS**
7 First Regular Session
8

9
10 **HOUSE BILL No. 8123**
11



12 -----
13 Introduced by
14 **ACT Teachers Party-List Rep. ANTONIO L. TINIO,**
15 **Gabriela Women's Party Rep. SARAH JANE I. ELAGO,**
16 **and KABATAAN Party-List Rep. RENEE LOUISE M. CO**
17 -----

18
19 **AN ACT**
20 **IMPOSING A 'BILLIONAIRE WEALTH TAX' ON INDIVIDUALS WITH**
21 **NET VALUE ASSETS EXCEEDING ONE BILLION PESOS, AMENDING**
22 **FOR THE PURPOSE CERTAIN PROVISIONS OF THE NATIONAL**
23 **INTERNAL REVENUE CODE OF 1997 OR REPUBLIC ACT 10963 AS**
24 **AMENDED**
25

26
27 **EXPLANATORY NOTE**
28

29 Wealth distribution in the Philippines is extremely unequal. In 2022, the
30 combined wealth of the top 10% richest Filipinos amounted to ₱40 trillion, which is
31 more than twice as large as the combined wealth of the bottom 90% amounting to ₱15
32 trillion. Moreover, the top 1% richest Filipinos had ₱17.9 trillion in wealth, which is
33 almost three times more than the ₱6 trillion wealth of the poorest 50% combined.
34 Worse, of the approximately ₱8.2 trillion of the country's wealth cornered by 3,000
35 billionaires, 72% or ₱5.9 trillion was concentrated among only 700 Filipinos.
36

37 In fact, even amidst the pandemic when the Philippine economy shrank, the net
38 worth of the 50 wealthiest Filipinos grew by 30% to ₱4 trillion. By 2021, the 17
39 wealthiest in our country made it to the Annual Forbes List of the world's richest
40 individuals. In 2024, the collective wealth of the 50 richest Filipinos totaled US\$80.8
41 billion, equivalent to approximately ₱4.63 trillion.¹
42

43 In 2018, a scandalously minuscule two percent (2%) of Filipino families had a
44 monthly income of ₱500,000 to more than ₱10 million. On the other hand, over 17

¹ Ho. J. "Philippines' 50 Richest." Forbes, 7 August 2024. Retrieved from
<https://www.forbes.com/lists/philippines-billionaires/>

1 million Filipino families, or 66 percent, live on a monthly income of ₱26,000 or less.
2 The gross income inequality is exemplified by how low the highest minimum wage is
3 in the Philippines. Minimum wage earners in the National Capital Region receive just
4 ₱695 daily or around ₱15,290 monthly,² which is way below the family living wage
5 amounting to ₱1,220 per day or ₱26,840 per month.
6

7 For two decades, the basic salaries and wages of workers nationwide remained
8 virtually stagnant, increasing only slightly to keep pace with inflation. Yet, the
9 Philippine government is finding ways and inventing new regressive taxes in order to
10 squeeze out more revenue from the people. Philippine taxation for the longest time has
11 been largely collected from what people pay for, what they consume, or from what they
12 earn, and has never implemented a tax on large fortunes. Hence, this Bill proposes a
13 wealth tax on the billionaires or the super-rich. A tax of 1% on wealth above ₱1 billion,
14 2% on wealth above ₱2 billion, and 3% above ₱3 billion is hereby proposed.
15

16 According to the estimates of IBON Foundation, the total wealth tax that can be
17 generated from the country's 3,000 billionaires is at least ₱508 billion annually. In fact,
18 even just from the 50 richest Filipinos alone, who by any standard are those who can
19 best afford to pay much higher taxes, the Philippine government can generate ₱289
20 billion revenue annually from this billionaire wealth tax. Even after paying the
21 proposed billionaire wealth tax, the 3,000 billionaires will still have ₱5.9 trillion in
22 wealth, while the 50 richest Filipinos will still have ₱4.6 trillion in wealth.
23

24 Billionaires are just 0.0026% of the population, so 99.974% are unaffected by
25 the billionaire wealth tax, unlike the majority of the current tax measures. The billions
26 in revenue from this tax would aid the government in pursuing its anti-poverty measures
27 and other social programs that would help in closing the widening divide between the
28 rich and the poor.
29

30 This tax would further help shift the burden away from regressive consumption
31 taxes towards the handful of the wealthiest who are capable of contributing more to our
32 public coffers.
33

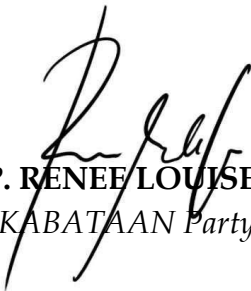
34 This Bill was first filed by Bayan Muna Representatives Ferdinand R. Gaite,
35 Carlos Isagani T. Zarate and Eufemia C. Cullamat, ACT Teachers Party-List
36 Representative France L. Castro, Gabriela Women's Party Representative Arlene D.
37 Brosas and Kabataan Party-List Representative Sarah Jane I. Elago as House Bill No.
38 10253 in the 18th Congress.
39
40

² Computed by multiplying with 22 working days.

For this reason, the approval of this Bill is earnestly sought.


REP. ANTONIO L. TINIO
ACT Teachers Party-list


REP. SARAH JANE I. ELAGO
Gabriela Women's Party


REP. RENEE LOUISE M. CO
KABATAAN Party-list

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23 **INTERNAL REVENUE CODE OF 1997 OR REPUBLIC ACT 10963 AS**
24 **AMENDED**
25

26
27 *Be it enacted by the Senate and House of Representatives of the Republic of the*
28 *Philippines in Congress assembled:*
29

30 **SECTION 1. *Short Title.*** – This Act shall be known as the “Billionaire Wealth Tax
31 Act.”
32

33 **SEC. 2. *Declaration of Policy.*** – It shall be the declared policy of the State to correct
34 the regressive structure of the Philippine taxation, dismantle entrenched oligarchic
35 privilege, and mobilize domestic resources for free public health, education, social
36 protection, employment, and housing without adding debt burden to the general public,
37 especially to the poor.
38

39 **SEC. 3.** The National Internal Revenue Code of 1997 is hereby amended by the
40 insertion of the following section to be designated as Sec. 27 as follows:
41

42 **"SEC. 27. BILLIONAIRE WEALTH TAX. – EVERY INDIVIDUAL**
43 **WHOSE NET TAXABLE ASSETS, AS DEFINED UNDER SECTION 33**
44 **OF THIS CODE, EXCEED ONE BILLION PESOS (P1,000,000,000)**
45 **SHALL ANNUALLY PAY A TAX ACCORDING TO THE SCHEDULE**
46 **UNDER SUBSECTION B OF THIS SECTION.**

A. COVERAGE. – THE TAX SHALL APPLY TO ALL OF THE FOLLOWING NATURAL PERSONS:

- 1. CITIZENS, RESIDENT OR NON-RESIDENT;**
- 2. RESIDENT ALIENS; AND**
- 3. NON-RESIDENT ALIENS ON PHILIPPINE-SITUS ASSETS**

B. MANDATORY WEALTH SELF-ASSESSMENT AND PENALTIES FOR MISDECLARATION. – ALL INDIVIDUALS WITH A NET WORTH EXCEEDING THE ONE BILLION PESOS SHALL BE REQUIRED TO SUBMIT AN ANNUAL, SWORN SELF-ASSESSMENT STATEMENT OF WEALTH, DISCLOSING ALL ASSETS, WHETHER DOMESTIC AND FOREIGN, AND WHETHER HELD DIRECTLY OR INDIRECTLY THROUGH CORPORATIONS, TRUSTS, OR OTHER ENTITIES.

THE BURDEN OF ACCURATELY AND COMPREHENSIVELY DECLARING NET WORTH SHALL REST PRIMARILY WITH THE TAXPAYER. THE GOVERNMENT SHALL NOT BE OBLIGATED TO PROVE UNDECLARED ASSETS IN THE INITIAL ASSESSMENT.

C. RATES OF TAXABLE WEALTH OF BILLIONAIRES – THE TAX SHALL BE COMPUTED IN ACCORDANCE WITH AND AT THE RATES ESTABLISHED IN THE FOLLOWING SCHEDULE:

TAX SCHEDULE EFFECTIVE JANUARY 1, 2026 ONWARDS:

WEALTH ABOVE P1,000,000,000.....	1%
WEALTH ABOVE P2,000,000,000.....	2%
WEALTH ABOVE P3,000,000,000.....	3%

THE SELF-ASSESSMENT STATEMENT OF WEALTH SHALL BE FILED AND THE TAX SHALL BE PAID ON OR BEFORE 15 MAY FOLLOWING THE CLOSE OF THE TAXABLE YEAR. QUARTERLY INSTALLMENTS MAY BE ELECTED.

FOR MARRIED INDIVIDUALS, THE HUSBAND AND WIFE, SHALL COMPUTE SEPARATELY THEIR BILLIONAIRE WEALTH TAX BASED ON THEIR RESPECTIVE TOTAL TAXABLE ASSETS: PROVIDED, THAT IF ANY ASSET CANNOT BE ATTRIBUTED TO OR IDENTIFIED AS WEALTH EXCLUSIVELY ACCUMULATED OR REALIZED BY EITHER OF THE SPOUSES, THE SAME SHALL BE DIVIDED EQUALLY

1 BETWEEN THE SPOUSES FOR THE PURPOSE OF
2 DETERMINING THEIR RESPECTIVE TAXABLE WEALTH.

3
4 **D. ANTI-AVOIDANCE. – ANY SCHEME, SUCH AS BUT NOT**
5 **LIMITED TO TRANSFER, TRUST, OR CHANGE OF**
6 **RESIDENCE, WHOSE PRINCIPAL PURPOSE IS THE**
7 **AVOIDANCE OF THIS TAX SHALL BE DISREGARDED. A**
8 **DEEMED-DISPOSITION EXIT TAX AT 3% SHALL APPLY**
9 **UPON THE TAXPAYER’S LOSS OF PHILIPPINE CITIZENSHIP**
10 **OR PERMANENT RESIDENCE.**

11
12 **SEC. 4.** The National Internal Revenue Code of 1997 is hereby further amended by the
13 insertion of the following section to be designated as Sec. 33 and 34 under Title II,
14 Chapter VI:

15
16 "TITLE II
17 CHAPTER VI

18
19 **SEC. 33. NET TAXABLE ASSETS OF BILLIONAIRES DEFINED.**
20 **– THE TERM ‘NET TAXABLE ASSETS’ REFERS TO THE FAIR**
21 **MARKET VALUE OF ASSETS OWNED BY A TAXPAYER,**
22 **REAL OR PERSONAL, TANGIBLE OR INTANGIBLE,**
23 **WHEREVER SITUATED, REDUCED BY ANY DEBTS OWED BY**
24 **THE TAXPAYER: PROVIDED, THAT THE FAIR MARKET**
25 **VALUE SHALL BE DETERMINED AS OF 31 DECEMBER OF**
26 **THE TAXABLE YEAR USING:**

- 27
28 1. THE CLOSING PRICE OF LISTED SECURITIES;
29 2. REAL PROPERTY BASED ON THE BIR ZONAL
30 VALUE OR DULY-APPRAISED MARKET VALUE,
31 WHICHEVER IS HIGHER; AND
32 3. PRIVATE COMPANIES BASED ON THE LATEST
33 ARM’S-LENGTH TRANSACTION OR, IF NONE,
34 THE HIGHER OF BOOK VALUE OR
35 CAPITALIZATION-OF-EARNINGS METHOD.

36
37 **(A) CREDITS. – ANNUAL REAL-PROPERTY TAX ON**
38 **PHILIPPINE REALTY MAY BE CREDITED AGAINST**
39 **THE BILLIONAIRE WEALTH TAX: PROVIDED, THAT**
40 **THE MAXIMUM CREDIT SHALL NOT EXCEED THE**
41 **CAP OF 25% OF THE TOTAL BILLIONAIRE WEALTH**
42 **TAX DUE IN ANY ASSESSED YEAR: PROVIDED**
43 **FURTHER, THAT ANY AMOUNT OF CREDIT IN**
44 **EXCESS OF THE CAP SHALL NOT BE CARRIED OVER**

1 ON THE SUBSEQUENT YEARS.

2
3 **(B) REVALUATION CYCLE. – THERE SHALL BE A**
4 **REVALUATION EVERY THREE YEARS: PROVIDED,**
5 **THAT INTERIM DECLARATIONS OF MATERIAL**
6 **CHANGE MORE THAN 20 PERCENT SHALL BE FILED**
7 **WITHIN THIRTY DAYS.**

8
9 **SEC. 5.** The National Internal Revenue Code of 1997 is hereby further amended by the
10 insertion of the following section to be designated as Sec. 292 under Title XI, Chapter
11 II:
12 ko

13 **"TITLE XI**
14 **CHAPTER II**

15
16 **SEC. 292. DISPOSITION OF REVENUES FROM BILLIONAIRE**
17 **WEALTH TAX. – THE PROVISIONS OF EXISTING LAWS TO**
18 **THE CONTRARY NOTWITHSTANDING, ONE HUNDRED**
19 **PERCENT (100%) OF THE TOTAL REVENUES COLLECTED**
20 **FROM THE BILLIONAIRE WEALTH TAX SHALL BE**
21 **ALLOCATED AND USED EXCLUSIVELY IN THE**
22 **FOLLOWING MANNER:**

23
24 **(A) SIXTY PERCENT (60%) SHALL BE ALLOCATED**
25 **NATIONWIDE, BASED ON POLITICAL AND DISTRICT**
26 **SUBDIVISIONS, FOR PUBLIC HEALTH SERVICES,**
27 **INCLUDING BUT NOT LIMITED TO PREVENTIVE AND**
28 **PRIMARY HEALTH PROGRAMS AND PUBLIC**
29 **HOSPITAL INFRASTRUCTURE. THE ANNUAL**
30 **REQUIREMENTS OF WHICH SHALL BE DETERMINED**
31 **BY THE DOH. SUCH EARMARKED AMOUNTS SHALL**
32 **CONTRIBUTE TOWARDS A GOVERNMENT PUBLIC**
33 **HEALTH SPENDING TARGET EQUIVALENT TO 5% OF**
34 **THE GROSS DOMESTIC PRODUCT AND**

35
36 **(B) FORTY PERCENT (40%) SHALL BE ALLOCATED TO**
37 **THE FOLLOWING SOCIAL MITIGATING MEASURES**
38 **AND INVESTMENTS, WHICH SHALL PRIORITIZE AND**
39 **DIRECTLY BENEFIT THE POOR AND NEAR-POOR**
40 **HOUSEHOLDS:**

- 41
42 **(1) EDUCATION (20%),**
43 **(2) SOCIAL PROTECTION AND EMPLOYMENT**

(15%), AND
(3) HOUSING (5%)

THE ANNUAL REQUIREMENTS SHALL BE
DETERMINED BY THE DEPARTMENT OF
EDUCATION, THE DEPARTMENT OF SOCIAL
WELFARE AND DEVELOPMENT, THE DEPARTMENT
OF LABOR AND EMPLOYMENT AND THE
DEPARTMENT OF HUMAN SETTLEMENTS AND
URBAN DEVELOPMENT.

ALL COLLECTIONS AND DISBURSEMENTS OF THE
REVENUE FROM THE BILLIONAIRE WEALTH TAX SHALL
BE PUBLISHED BY THE DEPARTMENT OF BUDGET AND
MANAGEMENT (DBM) IN QUARTERLY AND ANNUAL BASIS.

SEC. 6. *International Tax and Asset Transparency Cooperation.* – To implement the provisions of this Act effectively, the Commissioner of Internal Revenue, in coordination with the Department of Finance and relevant agencies, is authorized to:

- (A) Participate in and comply with international tax transparency standards, including but not limited to the OECD Common Reporting Standard (CRS) recommendations, and United Nations protocols on asset recovery and beneficial ownership disclosure;
- (B) Enter into treaties, conventions, memoranda of understanding, and exchange of information agreements with foreign governments and multilateral bodies;
- (C) Establish mechanisms for mutual assistance in tax matters and enforcement of this Act across jurisdictions; and
- (D) Access and utilize foreign-sourced data in accordance with international agreements and domestic data protection laws.

SEC. 7. *Wealth-Tax Unit.* – Within 180 days from the effectivity of this Act, the BIR shall create a Wealth-Tax Unit composed of specialized revenue officers and government appraisers that shall review and assess the Self-Assessment Statement of Wealth filed and the wealth tax paid by the billionaires. The Unit shall be authorized to conduct lifestyle audits, asset tracing, and to access domestic and international financial records to verify the accuracy of wealth declarations. The Unit shall investigate and recommend the filing of charges for avoidance, misdeclaration, non-declaration of assets and other offenses, if any.

SEC. 8. *Penalties.* – Any willful misdeclaration or non-declaration of assets shall be

1 subject to the following penalties, with full respect for due process:

- 2
- 3 A) A monetary penalty of not less than 20% of the value of undeclared or
- 4 misdeclared assets;
- 5 B) Expropriation or confiscation of the undeclared assets in cases of deliberate
- 6 concealment or fraud; and
- 7 C) Where appropriate, the filing of criminal charges for tax evasion or related
- 8 offenses.
- 9

10 **SEC. 9. *Non-Substitution of Existing Appropriations for Social Services.*** – The

11 revenues collected under this Act and earmarked for the identified social services shall

12 be used exclusively to supplement existing appropriations and shall not be used as a

13 substitute for any part of the regular annual General Appropriations Act (GAA) funding

14 for these social services.

15

16 In no case shall the release or use of these earmarked funds result in a reduction,

17 reallocation, or realignment of existing budgetary appropriations for the same purpose

18 or program.

19

20 The DBM shall certify that the annual appropriations for social services in the GAA are

21 no less than the previous fiscal year's allocations, adjusted for inflation and population

22 growth.

23

24 The Commission on Audit (COA) shall conduct an annual audit to ensure compliance

25 with this provision and shall submit a report to Congress.

26

27 **SEC. 10. *Separability Clause.*** – If any provisions of this Act is declared invalid or

28 unconstitutional, other provisions hereof which are not affected thereby shall continue

29 to be in full force and effect.

30

31 **SEC. 11. *Repealing Clause.*** – All laws, orders, issuances, rules and regulations or part

32 thereof inconsistent with the provisions of this Act are hereby repealed, amended or

33 modified accordingly.

34

35 **SEC. 12. *Effectivity Clause.*** This Act shall take effect within fifteen (15) days after its

36 publication in the Official Gazette or in at least two (2) newspapers of general

37 circulation, whichever comes earlier.

38

39

40 *Approved,*