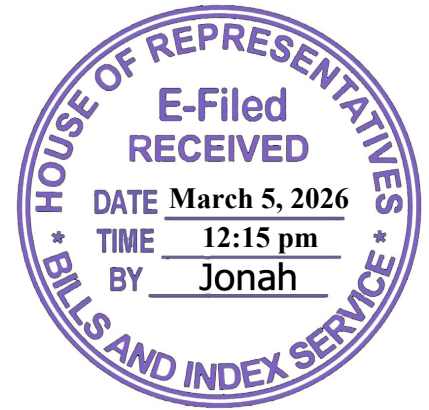


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. **8302**



Introduced by: **REPRESENTATIVE ERIC L. OLIVAREZ**

EXPLANATORY NOTE

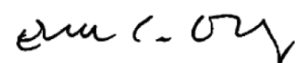
The Constitution mandates the State to protect and promote the right to health and to prioritize the needs of the underprivileged sick. Despite existing government programs, many indigent Filipinos continue to rely on the voluntary services of physicians who render *pro bono* medical care, particularly in public hospitals and underserved communities.

This bill seeks to encourage such voluntary medical services by granting physicians an **additional allowable deduction from gross income**, consistent with the National Internal Revenue Code of 1997, as amended. The measure adopts a deduction-based incentive—not a tax credit—to ensure fiscal prudence and alignment with existing tax principles.

To safeguard government revenues and prevent abuse, the bill imposes a statutory ceiling on the allowable deduction, requires proper documentation and certification by government health facilities, limits eligibility to services personally rendered, and prohibits double benefits for services already reimbursed under any government program.

By providing a calibrated and accountable incentive mechanism, this measure strengthens private sector participation in delivering free medical services to indigent patients while maintaining fiscal responsibility.

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


ERIC L. OLIVAREZ

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. **8302**

Introduced by: **REPRESENTATIVE ERIC L. OLIVAREZ**

**“AN ACT
GIVING TAX INCENTIVES TO PHYSICIANS RENDERING PRO
BONO SERVICES TO INDIGENT PATIENTS”**

*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 “Physician Pro Bono Care Act.”

SECTION 2. Declaration of Policy. – It is the policy of the State to protect and promote the right to health of the people and instill health consciousness among them. The State shall adopt an integrated and comprehensive approach to health development and shall endeavor to make essential goods, health, and other social services available to all people at affordable cost. There shall be priority for the needs of the underprivileged sick, elderly, women, and children. Consistent with Article II, Section 15 and Article XIII, Section 11 of the Constitution, the State shall encourage private sector participation in the delivery of free medical services to indigent patients through fiscally responsible incentive mechanisms consistent with the National Internal Revenue Code of 1997, as amended.

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

- (a) “Pro bono medical services” shall refer to professional medical services personally rendered by a physician without compensation or expectation of compensation;
- (b) “Indigent patient” shall refer to a person certified as indigent by the Department of Social Welfare and Development (DSWD), the local social welfare and development office, or any other competent government authority pursuant to existing laws and regulations;

- (c) “Reasonable value of services” shall refer to the customary professional fee for similar medical services in the locality, as determined under guidelines to be issued by the Bureau of Internal Revenue (BIR), upon recommendation of the Department of Health (DOH).

SECTION 4. Additional Allowable Deduction for Pro Bono Medical Services. – Physicians duly licensed by the Professional Regulation Commission (PRC) who voluntarily render pro bono medical services to indigent patients shall be entitled to claim an additional allowable deduction from gross income equivalent to a percentage of the reasonable value of the services actually rendered during the taxable year, as may be prescribed in the implementing rules and regulations: Provided, That such deduction shall in no case exceed twenty percent (20%) of the physician’s gross income derived from the practice of profession during the same taxable year, in accordance with the National Internal Revenue Code of 1997, as amended.

The deduction shall be allowed only upon submission of proper documentation and certification issued by a government hospital, rural health unit, or other DOH-accredited health facility where the service was rendered.

Only services personally rendered by the physician shall qualify. Expenses for medicines, supplies, hospital facilities, equipment use, or other incidental costs shall not be included in the computation of the deductible amount.

No double benefit shall be allowed. Services that are reimbursed, compensated, or subsidized under any government program, including PhilHealth or similar schemes, shall not qualify for the deduction under this Act.

The additional deduction provided herein shall be separate from and in addition to ordinary and necessary business deductions allowed under the National Internal Revenue Code, but shall not be treated as a tax credit.

SECTION 5. Implementing Rules and Regulations. – Within ninety (90) days from the effectivity of this Act, the Bureau of Internal Revenue (BIR), in consultation with the Department of Finance (DOF), the Department of Health (DOH), and the Professional Regulation Commission (PRC), shall promulgate the rules and regulations necessary for the effective implementation of this Act, including valuation standards, documentation requirements, compliance monitoring, and anti-abuse safeguards.

SECTION 6. Separability Clause. – If any provision of this Act is declared invalid or unconstitutional, the provisions not affected thereby shall remain in full force and effect.

SECTION 7. Repealing Clause. – All laws, presidential decrees, executive orders, presidential proclamations, rules and regulations or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 8. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,