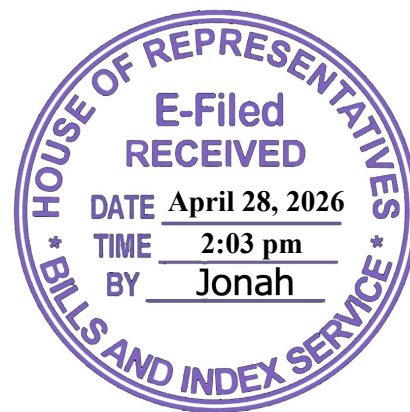


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. **8971**



Introduced by **Representative ERIC G. YAP**

EXPLANATORY NOTE

This bill seeks to incentivize registered physicians who provide free medical services to indigent patients. It grants them tax credits to be deducted from their annual income tax due, subject to the limitations and conditions provided under Republic Act no. 8424, otherwise known as the "*National Internal Revenue Code of 1997*", as amended.

The COVID-19 pandemic taught us the indispensable role of the medical profession in maintaining national stability. However, the Second Congressional Commission on Education (EDCOM II) reported that as of early 2026, the Philippines only records 21.2 healthcare workers for every ten thousand (10,000) people¹. This is less than half the World Health Organization's recommended doctor-to-population ratio of ten (10) doctors per ten thousand (10,000) patients. Physicians who dedicate their time and resources to treat patients who fall below the official poverty threshold often absorb the operational costs of consultations and procedures themselves. However, despite their critical contribution, limited incentives exist to provide them economic relief, and to recognize their voluntary services.

This proposed measure grants a tax credit of up to ten percent (10%) of the registered physician's annual income tax due to further encourage their charitable reach. It also mandates a rigorous verification process to ensure fiscal integrity and transparency. It ensures that the tax credits granted are commensurate with the actual medical services rendered, and the requirement of strict documentation is required to prevent fraudulent claims.

¹ EDCOM 2 Communications. 15 February 2026. *EDCOM 2 Workforce Development Plan highlights large shortages in healthcare workers nationwide.*
<https://edcom2.gov.ph/edcom-2-workforce-development-plan-highlights-large-shortages-in-healthcare-workers-nationwide/>

This vital piece of legislation acknowledges that while the spirit of volunteerism is priceless, the State must provide the necessary fiscal environment to sustain it.

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



HON. ERIC G. YAP

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TWENTIETH CONGRESS
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House Bill No. **8971**

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AN ACT
GIVING TAX CREDIT TO REGISTERED PHYSICIANS PROVIDING PRO
BONO MEDICAL 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 Services Incentives Act*”.

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to protect and promote the right to health of the people and instill health consciousness among them. Further, the State shall adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to all the people at affordable cost. Towards this end, the State shall prioritize the needs of the underprivileged, including the sick, elderly, persons with disabilities, women, and children, and shall endeavor to provide accessible and affordable medical care to indigent patients.

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

a. Indigent Patient refers to a person who has no visible means of income or whose income falls below the official poverty threshold, as identified by the Department of Economy, Planning, and Development, and/or cannot afford in a sustained manner to provide one’s minimum basic needs of food, health, education, housing, and other essential amenities; and

b. Pro Bono Services refer to medical services rendered by a duly licensed and registered physician to an indigent patient without any form of compensation or remuneration.

SEC. 4. *Incentive to Registered Physicians rendering Pro Bono Services to Indigent Patients.* – Registered physicians rendering *pro bono* services to indigent patients shall be entitled to a tax credit to be deducted from their income tax due, subject to the limitations and conditions provided under Republic Act (RA) No. 8424,

otherwise known as the “*National Internal Revenue Code of 1997*”, as amended. The tax credit shall not exceed ten percent (10%) of the total income tax due of the physician for the taxable year.

The grant of the tax credit shall be subject to verification and validation by the Bureau of Internal Revenue (BIR), based on guidelines developed in coordination with the Department of Health (DOH). The DOH, in consultation with the Philippine Medical Association (PMA), shall develop standards for determining the nature, scope, and documentation of *pro bono* services.

SEC. 5. *Valuation of Pro Bono Services.* – The value of the *pro bono* services shall be based on standardized rates to be determined by the DOH, taking into account prevailing rates for similar medical services in the locality and Philippine Health Insurance Corporation (PhilHealth) case rates. Such valuation shall be subject to review and audit by the BIR to ensure accuracy and compliance with existing laws, rules, and regulations.

SEC. 6. *Documentation and Compliance Requirements.* – To avail of the tax credit under this Act, registered physicians shall submit appropriate documentation, including:

- a. Certificate of Indigency of the patient issued by the barangay or the Municipal Social Welfare and Development Office;
- b. Medical records or service reports detailing the nature and extent of services rendered; and
- c. A sworn statement attesting that no compensation or remuneration was received for the services rendered.

No tax credit shall be granted for services that are reimbursed, compensated, or otherwise covered under any government program, including those administered by PhilHealth.

SEC. 7. *Penalties.* – Any person who falsely claims or fraudulently avails of the tax credit provided under this Act, including the submission of falsified documents or misrepresentation of *pro bono* services rendered, shall, upon conviction, be subject to the penalties provided under RA 8424, otherwise known as the “*National Internal Revenue Code of 1997*”, as amended, without prejudice to the imposition of administrative sanctions under existing laws, rules, and regulations:

Provided, That any tax credit wrongfully or fraudulently claimed shall be subject to restitution, including the payment of the amount unlawfully claimed, surcharges, interest, and other penalties as may be imposed under existing tax laws and regulations; Provided, further, That if the offender is a registered physician, such act shall constitute grounds for administrative disciplinary action by the Professional Regulation Commission, which may include suspension or revocation of license.

SEC. 8. *Implementing Rules and Regulations.* – BIR, in coordination with the DOH, and in consultation with the Philippine Medical Association, shall promulgate the rules and regulations necessary for the effective implementation of this Act within ninety (90) days from its effectivity.

SEC. 9. *Separability Clause.* – Should any provision of this Act or any part thereof be declared invalid, the other provisions, so far as they are separable from the invalid ones, shall remain in full force and effect.

SEC. 10. *Repealing Clause.* – All laws, orders, issuances, rules and regulations, or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 11. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,