



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

TWENTIETH CONGRESS
Second Regular Session

HOUSE BILL NO. 10808



Introduced by **Representatives FERDINAND L. HERNANDEZ, ATTY. MIRO S. QUIMBO, and JESUS “BONG” C. SUNTAY**

AN ACT
SUSPENDING FOR TWO (2) YEARS THE IMPLEMENTATION OF CERTAIN PROVISIONS OF REPUBLIC ACT NO. 12001, OTHERWISE KNOWN AS THE “REAL PROPERTY VALUATION AND ASSESSMENT REFORM ACT,” PROVIDING FOR THE CONTINUED APPLICATION OF EXISTING SCHEDULES OF MARKET VALUES DURING THE PERIOD OF SUSPENSION, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Republic Act No. 12001, otherwise known as the “*Real Property Valuation and Assessment Reform Act*,” introduced far-reaching reforms intended to establish a uniform, transparent, and internationally aligned system for the valuation of real property in the Philippines. The objectives of the law remain laudable and necessary. However, reforms must also be responsive to the economic circumstances prevailing at the time of their implementation. What may constitute sound policy under normal conditions may impose unintended hardship when introduced during a period of extraordinary economic and natural disruption.

The Philippine economy is presently confronting precisely such circumstances.

According to the *Philippine Statistics Authority* (PSA), the Philippine economy grew by only 2.3 percent in the second quarter of 2026. This represents a significant slowdown from the rates of economic expansion to which the country had become accustomed in recent years. At the same time, Filipino households continue to contend with elevated prices. Headline inflation stood at 6.2 percent in July 2026, following 6.4 percent in June.

These economic difficulties have been aggravated by circumstances that are, to a significant degree, beyond the control of the Philippine Government. The continuing conflict in the Middle East has disrupted global energy markets and contributed to elevated fuel prices and supply-side pressure which are external uncertainties weighing on the Philippine economy.

Our country has likewise suffered successive natural calamities. On June 8, 2026, a magnitude 7.8 earthquake struck off Sarangani, affecting communities across Mindanao and damaging homes, schools, bridges, and other infrastructure. And there were other strong earthquakes during the previous year as well, with the local governments, and constituents, still in the process of recovering from the effects of the natural disaster.

The Government has responded—and continues to respond—to these challenges. Nevertheless, public policy must recognize that the burden of global conflict, natural disasters, elevated inflation, and slower economic growth ultimately falls upon ordinary Filipino households and businesses. This is therefore not the appropriate time to introduce another potential source of financial pressure upon them, hence the move to suspend the reform legislation for a period of two (2) years.

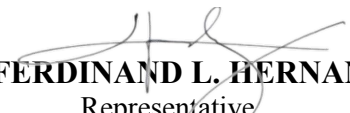
Additionally, without the suspension, the effects extend beyond the real property taxes imposed by local government units. Under Republic Act No. 12001, the approved *Schedule of Market Values* may likewise affect local transfer taxes and other property-related taxes, fees, and charges. It may also be used in determining the tax base for internal revenue taxes involving real property transactions.

Thus, an abrupt adjustment in government property valuations at this particular time may increase the cost of owning, transferring, inheriting, donating, developing, and conducting business upon real property precisely when households and enterprises are already adjusting to higher prices and weaker economic conditions.

This measure proposes a two-year suspension of the implementation of the provisions of Republic Act No. 12001 relating to the adoption and use of new or updated Schedules of Market Values and the general revision of real property assessments based thereon.

Fiscal reform and taxpayer protection are not incompatible. Republic Act No. 12001 can achieve its long-term objectives without requiring its full financial consequences to be imposed upon taxpayers at the height of extraordinary economic difficulties. A temporary suspension is therefore not an abandonment of reform. It is a measured and compassionate adjustment in its timing.

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



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Representative
Fourth District, Quezon City



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SUSPENDING FOR TWO (2) YEARS THE IMPLEMENTATION OF CERTAIN PROVISIONS OF REPUBLIC ACT NO. 12001, OTHERWISE KNOWN AS THE "REAL PROPERTY VALUATION AND ASSESSMENT REFORM ACT," PROVIDING FOR THE CONTINUED APPLICATION OF EXISTING SCHEDULES OF MARKET VALUES DURING THE PERIOD OF SUSPENSION, 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 "*Real Property Valuation and Assessment Reform Implementation Suspension Act.*"

SEC. 2. *Declaration of Policy.* — It is hereby declared the policy of the State to pursue a just, equitable, transparent, and nationally consistent system of real property valuation while ensuring that reforms in property valuation and taxation are implemented in a manner that does not impose sudden, excessive, or unreasonable financial burdens upon property owners, taxpayers, businesses, and local communities.

Towards this end, the State shall provide sufficient time for the National Government, local government units, taxpayers, and other affected stakeholders to assess the fiscal and economic impact of the implementation of Republic Act No. 12001 and to adopt appropriate safeguards against abrupt and substantial increases in real property valuations and the taxes, fees, and charges based thereon.

SEC. 3. *Suspension of Implementation.* — Notwithstanding any provision of Republic Act No. 12001, its implementing rules and regulations, or any other law,

rule, regulation, circular, or issuance to the contrary, the implementation and application of Sections 14, 15, 16, 17, 18, and 19 of Republic Act No. 12001, insofar as these provisions result in the adoption, approval, effectivity, or use of new or updated Schedules of Market Values, and the general revision of real property assessments and classifications based thereon, are hereby suspended for a period of two (2) years from the effectivity of this Act.

During the period of suspension:

- (a) No new or updated Schedule of Market Values prepared, reviewed, certified, approved, or otherwise issued pursuant to Republic Act No. 12001 shall take effect or be used as basis for the imposition, computation, or collection of any national or local tax, fee, or charge;
- (b) No general revision of real property assessments and classifications based upon a new or updated Schedule of Market Values prepared pursuant to Republic Act No. 12001 shall take effect;
- (c) No new or updated Schedule of Market Values shall be used by the Bureau of Internal Revenue in computing internal revenue taxes involving real property transactions;
- (d) No taxpayer shall be required to pay any increase in a national or local tax, fee, or charge arising solely from the application of a new or updated Schedule of Market Values prepared pursuant to Republic Act No. 12001; and
- (e) The preparation, collection of data, consultation, review, capacity-building, establishment of information systems, and other preparatory and administrative activities authorized under Republic Act No. 12001 may continue: *Provided*, That no new or updated Schedule of Market Values resulting therefrom shall become effective or be used for taxation during the period of suspension.

SEC. 4. *Continued Application of Existing Schedule of Market Values.* — During the period of suspension provided under Section 3 of this Act, the Schedule of Market Values, zonal values, assessed values, and other valuation bases lawfully in force immediately *prior* to the implementation or application of the corresponding new or updated valuation under Republic Act No. 12001 shall continue to be used for purposes of national and local taxation, assessment, fees, charges, and other government transactions.

No provision of Republic Act No. 12001 repealing, amending, superseding, or modifying any prior valuation mechanism shall be construed to prevent the continued application of such valuation mechanism during the period of suspension provided under this Act.

For avoidance of doubt, the legal and administrative framework necessary to maintain the valuation bases existing immediately prior to their replacement under Republic Act No. 12001 shall remain operative during the period of suspension.

SEC. 5. *Schedules of Market Values Already Prepared, Certified, or Approved.* — Any Schedule of Market Values prepared, submitted, reviewed, certified, or approved pursuant to Republic Act No. 12001 prior to the effectivity of this Act shall not be invalidated solely by reason of this Act.

However, its implementation and use for taxation, assessment, or the imposition of fees and charges shall be suspended for the duration of the period provided under Section 3 hereof.

Upon expiration of the suspension period, the Department of Finance, through the Bureau of Local Government Finance, shall determine whether such Schedule of Market Values remains reflective of prevailing market conditions and complies with the Philippine Valuation Standards before the same may be implemented.

SEC. 6. *Taxpayer Protection and Impact Assessment.* — Within one (1) year from the effectivity of this Act, the Department of Finance, in coordination with the Bureau of Local Government Finance, Bureau of Internal Revenue, Department of the Interior and Local Government, local government units, and other relevant agencies and stakeholders, shall conduct a comprehensive assessment of the projected fiscal, economic, and social impact of the implementation of the updated Schedules of Market Values under Republic Act No. 12001.

The assessment shall include, among others:

- (a) The projected increase or decrease in real property taxes by property classification and locality;
- (b) The projected impact upon residential, agricultural, commercial, and industrial property owners;
- (c) The impact upon housing affordability, rental rates, business costs, agricultural production, and investment;
- (d) The impact upon estate taxes, donor's taxes, capital gains taxes, documentary stamp taxes, and other national taxes involving real property;
- (e) The fiscal impact upon local government units; and

- (f) Appropriate measures to prevent sudden, excessive, or confiscatory increases in the tax liabilities of affected taxpayers.

The Department of Finance shall submit its report and recommendations to the President of the Philippines, the Senate President, and the Speaker of the House of Representatives not later than eighteen (18) months from the effectivity of this Act.

SEC. 7. *Implementing Rules and Regulations.* — Within thirty (30) days from the effectivity of this Act, the Department of Finance, in coordination with the Bureau of Local Government Finance, Bureau of Internal Revenue, Department of the Interior and Local Government, and representatives of local government units, shall promulgate such rules and regulations as may be necessary for the effective implementation of this Act.

No implementing rule or regulation shall authorize the collection of any tax, fee, or charge based upon a new or updated Schedule of Market Values whose implementation is suspended under this Act.

SEC. 8. *Separability Clause.* — If any provision or part of this Act is declared unconstitutional or invalid, the remaining provisions or parts thereof not affected thereby shall remain in full force and effect.

SEC. 9. *Repealing Clause.* — All laws, decrees, executive orders, rules and regulations, administrative issuances, or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

The repeal or amendment under Section 38 of Republic Act No. 12001 of provisions of Republic Act No. 7160, otherwise known as the “Local Government Code of 1991,” Republic Act No. 8424, otherwise known as the “National Internal Revenue Code of 1997,” as amended, Presidential Decree No. 921, and other laws shall, insofar as necessary to give effect to the suspension and continued application of existing valuation bases provided under this Act, be deemed temporarily inoperative during the suspension period.

SEC. 10. *Effectivity.* — This Act shall take effect immediately after its publication in the Official Gazette or in a newspaper of general circulation.

Approved.