

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

**SEVENTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 1444**



---

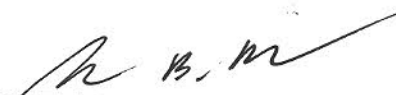
Introduced by Representative Salvador B. Belaro, Jr.

---

**EXPLANATORY NOTE**

Fundamental innovations that result in educational, technological or economic expansion need research funding for years before it materialize. Private sectors seldom invest in research because of minimal return or profit on research investment.

This bill seeks to provide a system of tax incentives to corporations, partnerships, organizations and other juridical entities for their investment in basic research and introduced efficient innovations.

  
**SALVADOR B. BELARO, JR.**  
Representative  
1-Ang Edukasyon Party List

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

**SEVENTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 1444**

---

Introduced by Representative Salvador B. Belaro, Jr.

---

**AN ACT GRANTING TAX INCENTIVES FOR RESEARCH  
ACTIVITIES AND FOR OTHER PURPOSES**

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Short Title.* This Act shall be known as the “Research Incentives Act of 2016.”

SEC. 2. Declaration of Policy. The State recognizes the indispensable role of science and technology in a globalized world. Thus, investments in research, science and technology should be encouraged and deserve reasonable state intervention.

SEC. 3. Expenses for research shall henceforth be deemed as deductions from gross income within the contemplation of the National Internal Revenue Code. Such expenses for research shall include, among others, that for research grants to faculty members of universities conducting independent research or commissioned by the private sector for business purposes.

SEC. 4. All entities doing business in the Philippines in the field of research or those that use new technology or research-based business activities shall be exempt from the payment of income tax for a period of two (2) years from the time of the commencement of their research or technology-based business.

SEC. 5. The Department of Science and Technology (DOST), Department of Education (DepEd) and the Bureau of Internal Revenue (BIR) shall be tasked with formulating the rules and regulations necessary to implement this Act.

SEC. 6. The funds necessary to carry out the provision of this Act shall be included in the General Appropriation Act of the year following its enactment in law and thereafter.

SEC. 7. All laws, orders, issuances rules and regulations or parts thereof inconsistent with any provisions of this Act are hereby repealed, modified or amended accordingly.

SEC. 8. This Act shall take effect upon its approval.

Approved.