

Republic of the Philippines
Congress of the Philippines
Quezon City

Seventeenth Congress
First Regular Session

House Bill No. **3352**

HOUSE OF REPRESENTATIVES	
RECEIVED	
DATE:	25 AUG 2016
TIME:	5:30 PM
BY:	MEU
REGISTRATION UNIT BILLS AND INDEX SERVICE	


Introduced by: Representative Carlos Roman L. Uybarreta, 1-Care Partylist

The total electrification of the country has been the ultimate goal of the government since the organization of the electric cooperatives. This will not be achieved, however, if the Philippines remains to be ranked as one of the countries with the highest electricity rates in South East Asia. The gains of the total electrification project of the National Government will not be realized if the high cost of electricity gives undue burden to an average earning Filipino who can barely make ends meet.

VAT on electricity is one of the factors which lead to the high cost of electricity. This brings another burden on the already over-taxed shoulders of our people, especially those whose incomes are barely enough to cover their basic needs. This situation also negates the very intent of the electric cooperatives creation which is to provide affordable electric rates to the member-consumers and to promote economic development, and prosperity in the local communities.

The removal of VAT on electricity is one of the most viable options for Congress to immediately act on in order to give respite for Filipino households from high electricity rates. By amending the National Internal Revenue Code of 1997, as amended by Republic Act No. 9377, through exempting the sale of electricity by an electric cooperative from value-added tax, we can lower the high cost of electricity and bring relief to our people.

In view thereof, the passage of this measure is earnestly sought.


CARLOS ROMAN L. UYBARRETA
Representative, I-CARE Party List

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47

Republic of the Philippines
Congress of the Philippines
Quezon City

Seventeenth Congress
First Regular Session

House Bill No. 3352

Introduced by: Representative Carlos Roman L. Uybarreta, I-Care Partylist

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

**CLASSIFYING THE SALE OF ELECTRICITY BY ELECRIE COOPERATIVES,
AS VALUE ADDED TAX EXEMPT TRANSACTIONS, AMENDING FOR THE
PURPOSE 109 (1) OF THE NATIONAL INTERNAL REVENUE CODE,
AS AMENDED BY REPUBLIC ACT NO. 9337, AND FOR OTHER PURPOSES**

SECTION 1. Section 109 (1) of the National Internal Revenue Code, as amended by Republic Act No. 9337, is hereby further amended to read as follows:

“SEC. 109. *Exempt Transactions.* – (1) Subject to the provisions of subsection (2) hereto, the following transactions shall be exempt from the value-added tax:

“(A) xxx

“(B) xxx

“xxx

“(U) xxx

“(V) **SALE OF ELECTRICITY BY ELECTRIC COOPERATIVE;**

“(Y) Export sales by person who are not VAT-registered.

SECTION 2. *Repealing Clause.* The following laws or provision of laws are hereby repealed:

A) Section 24 (A) and (B) of Republic Act No. 9337; and

B) All other laws, acts, decrees, executive orders, issuances, and rules and regulations or parts thereof which are contrary to and inconsistent with any provision of this Act are hereby repealed, amended, or modified accordingly.

SECTION 3. *Separability Clause.* If any provision of this Act is declared unconstitutional, the validity of the remaining provisions hereof shall remain in full force and effect.

SECTION 4. *Effectivity Clause.* This Act shall take effect immediately after its complete publication either in the Official Gazette or a newspaper of general circulation in the Philippines.

Approved.