

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH (17th) CONGRESS
First Regular Session

House Bill No. **4344**



Introduced by: Representative Jose L. Atienza, Jr.

EXPLANATORY NOTE

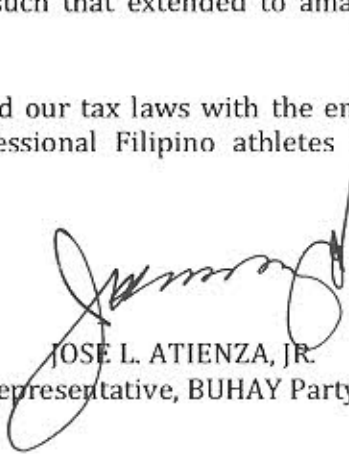
It appears opportune to strengthen at this point in time the constitutional edict that "The state shall give priority to education, science and technology, art, culture, and sports to foster patriotism and nationalism, accelerate social progress, and promote total human liberation and development (Article II, Sec. 17; Art. XIV Sec. 19 (1) Philippine Constitution.

The declared policy of the state apropos the vital role of sports in nation building was initially given impetus by the passage earlier of R.A. 9064 as well as Sec. 32 B 7 d of R.A. 8424, which however, limited the incentives given therein to amateur athletes. In this day and age, even the International Olympic Committee have found good reason to allow participation of professional athletes in events formerly limited to amateurs.

As all our perform to the best of their abilities in international competitions, the state must in turn provide and grant them adequate incentives.

The recent tax controversy involving the country's national treasure and recognized national icon and now Senator Emmanuel "Manny" Pacquiao serves as an eye opener for government to extend similar tax incentives to any Filipino professional athlete who competes in tournaments sanctioned by international sports organizations and recognized or certified as such by the Philippine Sports Commission, as such that extended to amateur athletes under the tax code.

It is therefore imperative to amend our tax laws with the end in view of extending tax incentives to our professional Filipino athletes who continue to bring honor and pride to our country.


JOSE L. ATIENZA, JR.
Representative, BUHAY Party-list

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AN ACT
GRANTING TAX EXEMPTION FOR PRIZES AND AWARDS GRANTED TO FILIPINO
ATHLETES IN INTERNATIONALLY SANCTIONED SPORTS COMPETITIONS AND
FURTHER AMENDING FOR THIS PURPOSE SEC. 32 (B) (7) (4) OF 1997 TAX
CODE (R.A. 8424)

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

SECTION 1. *Short Title:* This act shall be known as the “**Tax Incentive Act for Professional Athletes Act of 2016**”.

SECTION 2. *Statement of Policy:* This state shall promote and encourage excellence in sports by providing tax incentives to professional athletes who bring honor and recognition to the country by winning in internationally sanctioned sports competitions and tournaments.

SECTION 3. *Definition of Terms:*

- A. *Professional Athletes:* any duly licensed Filipino athlete making use of his skill to earn income by joining sports competitions locally or internationally.
- B. *Internationally sanctioned competition:* any sports competition promoted locally or internationally by associations, organizations, or groups duly licensed or authorized to promote or stage such sports competition.

SECTION 4. *Sec. (32) (B) (7) d of RA 8424 as amended is hereby amended to read as follows:*

Sec. 32 Gross Income

(b) Exclusion from Gross Income – The following items shall not be included in gross income and shall be exempt from taxation under this Title

(7) Miscellaneous Items

Xxx

(D) Prizes and Awards in sports competitions – All prizes and awards to **amateur and professional** athletes in local and international sports competitions and tournaments whether held in the Philippines or abroad, sanctioned by their national sports association **or any recognized world or international sports associations.**

SECTION 5. *Coverage:* The exemption provided herein shall apply to prizes and awards in all the aforementioned competitions earned TEN (10) years prior to the approval – effectivity of this act.

SECTION 6. *Application:* The tax incentives provided for in this act may be availed of or enjoyed by the winner-taxpayer who may have, or in connection with any pending assessments, tax cases or pending assessment charges or warrants and levy in the process of or yet to be implemented.

Any taxpayer who otherwise have been exempt as provided for in this act, who has paid income tax for prizes and/or awards in internationally recognized competitions within the last ten years of this act shall be entitled to apply for tax credit in accordance with the law.

SECTION 7 *Effectivity:* This act shall take effect after publication in two (2) publications of general circulation.

Approved.