EIGHTEENTH CONGRESS
SECOND REGULAR SESSION

COMMITTEE REPORT NO. 696

Submitted by the Committee on Ways and Means on Dec 15 2020
Re: House Bill No. 8259
Recommending its approval in substitution of House Bills No. 0984, 2901, 3751, 7351, 7523, and 7978

Sponsors: Representatives Joey Sarte Salceda and Luisa Lloren Cuaresma

Mr. Speaker:

The Committee on Ways and Means to which were referred House Bill No. 984, introduced by Rep. Michael L. Romero, entitled:

"AN ACT GRANTING TAX INCENTIVE TO MEDICAL DOCTORS WHO RENDER FREE PROFESSIONAL SERVICES TO INDIGENT PATIENT AND FOR OTHER PURPOSES"

House Bill No. 2901, introduced by Representative Manuel DG Cabochan III, entitled:

"AN ACT GIVING TAX CREDIT TO PHYSICIANS RENDERING PRO BONO SERVICES TO POOR PATIENTS"

House Bill No. 3751, introduced by Representative Rufus B. Rodriguez, entitled:

"AN ACT GIVING TAX CREDIT TO PHYSICIANS RENDERING PRO BONO SERVICES TO POOR PATIENTS"

House Bill No. 7351, introduced by Representative Luisa Lloren Cuaresma, entitled:

"AN ACT EXEMPTING FROM TAXATION FOR THE TAXABLE YEAR TWO THOUSAND TWENTY ALL MEDICAL AND NON-MEDICAL FRONTLINERS WHO ARE DIRECTLY SERVING, TREATING, CARING, AIDING AND ASSISTING COVID-19"

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House Bill No. 7523, introduced by Rep. Alfonso V. Umali, Jr., entitled:

"AN ACT EXCLUDING THE HAZARD PAY EARNED DURING OR ON OCCASION OF A NATIONAL EMERGENCY IN THE COMPUTATION OF GROSS INCOME, THEREBY AMENDING SEC. 9 OF REPUBLIC ACT 10963, OTHERWISE KNOWN AS TRAIN LAW" and

House Bill No. 7978, introduced by Rep. Joy Myra S. Tambunting, entitled:

"AN ACT GIVING TAX INCENTIVES TO PHYSICIANS RENDERING PRO BONO SERVICES TO INDIGENT PATIENTS"

has considered the same and recommends that the attached House Bill No. 8259, entitled:

"AN ACT PROVIDING INCOME TAX RELIEF TO MEDICAL FRONTLINERS FOR TAXABLE YEAR TWO THOUSAND TWENTY"


Respectfully submitted.

JOEY SARTE SALCEDA
Chairperson
Committee on Ways and Means

HE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
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EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 8259
(in substitution of House Bills No. 0984, 2901, 3751, 7351, 7523, and 7978)


AN ACT
PROVIDING INCOME TAX RELIEF TO MEDICAL FRONTLINERS FOR TAXABLE YEAR TWO THOUSAND TWENTY

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

1 SECTION 1. Short Title.- This Act shall be known as the “Handog sa mga Bayaning Lumaban

2 Kontra COVID-19 Act.”

3 SEC. 2. Definition of terms. – As used in this Act, the following terms shall mean:
a. Income – refers to the amount of salary or compensation being received by medical frontliners who are working or employed in a medical institution.

b. Medical Frontliners – refer to persons who are engaged in health-related services and are employed in hospitals, clinics, or other medical institutions, whether public or private, which treat patients infected with COVID-19. The term shall include administrative employees, support personnel and staff of said medical institutions, regardless of their employment status.

c. Medical institution – refers to any public or private hospital, clinic or other facility that test, accept, and treat patients afflicted with COVID-19.

SEC. 3. Exemption from Income Tax. – Effective January 1, 2020, all medical frontliners shall be exempted from paying twenty-five percent (25%) of income tax due for taxable year 2020 subject to rules and regulations to be formulated by the Bureau of Internal Revenue (BIR).

SEC. 4. Coverage of the Income Tax Exemption. – The exemption granted in this Act shall only cover the salary or compensation, as well as the gross receipts from the exercise of profession or employment received by frontliners for taxable year 2020. The income tax exemption shall not include those income received by the medical frontliners from their other businesses, investments and other kinds of passive income not related to serving, treating caring, aiding, assisting COVID-19 patients. Provided, That medical frontliners are still required to file returns for the Percentage Tax, Value Added Tax (VAT), and Quarterly Income Tax with the proper Revenue District Offices.

SEC. 5. Extension of Tax Exemption. – The Secretary of the Department of Finance is hereby given the authority to extend, for a period of not more than six (6) months, the payment of income tax to qualified frontliners.
SEC. 6. Rules and Regulations. – Within thirty (30) days from the effectivity of this Act, the Bureau of Internal Revenue, in coordination with the Department of Health, shall issue the necessary rules and regulations to implement this Act.

SEC. 7. Repealing Clause. – All laws, decrees, executive issuances, rules and regulations contrary to or inconsistent with this Act are hereby repealed, amended or modified accordingly.

SEC. 8. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,
Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

Committee on Ways and Means

FACT SHEET

House Bill No. 8259
(in substitution of House Bills No. 0984, 2901, 3751, 7351, 7523, and 7978)

“AN ACT
PROVIDING INCOME TAX RELIEF TO MEDICAL FRONTLINERS FOR TAXABLE YEAR TWO THOUSAND TWENTY”

OBJECTIVES

- To express the government’s appreciation for the exemplary service of medical frontliners by granting them relief from payment of income tax

KEY PROVISIONS

- Exempts medical frontliners from paying 25% of income tax due for taxable year 2020;
- Limits the coverage of the proposed tax exemption to salary or compensation, as well as the gross receipts from the exercise of profession or employment received by medical frontliners for taxable year 2020; the tax exemption shall not include those income received by the medical frontliners from their other businesses, investments, and other kinds of passive income not related to serving, treating, caring, aiding and assisting COVID-19 patients; and
- Authorizes the Secretary of Finance to extend, for a period of not more than six (6) months, the exemption from payment of income tax to qualified medical frontliners

RELATED LAWS

1. Republic Act No. 8424, otherwise known as the National Internal Revenue Code of 1997, as amended
2. Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act
3. Republic Act No. 11494, otherwise known as Bayanihan to Recover as One Act