Mr. Speaker:

The Committee on Ways and Means to which were referred:

House Bill No. 225 introduced by Representatives France L. Castro, Carlos Isagani T. Zarate, Ferdinand Gaite, Eufemia C. Cullamat, Arlene D. Brosas and Sarah Jane I. Elago, entitled:

“AN ACT EXEMPTING FROM INCOME TAXATION ALL AMOUNTS GRANTED TO PERSONS RENDERING ELECTION SERVICE FOR LOCAL AND NATIONAL ELECTIONS;”

House Bill No. 5485 introduced by Representative Luisa Lloren Cuaresma, entitled:

“AN ACT PROVIDING INCOME TAX EXEMPTION TO COMPENSATION OF TEACHERS SERVING AS MEMBERS OF THE ELECTORAL BOARD FOR NATIONAL OR LOCAL ELECTIONS;” and

House Bill No. 9218 introduced by Representative Johnny Pimentel, entitled:

“AN ACT EXEMPTING FROM INCOME TAX COMPENSATION THE HONORARIA AND ALLOWANCES GIVEN TO TEACHERS FOR SERVING AS MEMBERS OF THE ELECTORAL BOARD FOR LOCAL OR NATIONAL ELECTIONS”
has considered the same and recommends that the attached House Bill No. 9652, entitled:

“AN ACT EXEMPTING FROM INCOME TAXATION THE HONORARIA, ALLOWANCES, AND OTHER FINANCIAL BENEFITS OF PERSONS RENDERING SERVICE DURING AN ELECTION PERIOD, AMENDING FOR THE PURPOSE SECTION 32 (B) (7) OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED”


Respectfully submitted,

JOEY SARTE SALCEDA
Chairperson
Committee on Ways and Means

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY
Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 9652
(in substitution of House Bills Numbered 225, 5485, and 9218)


“AN ACT
EXEMPTING FROM INCOME TAXATION THE HONORARIA, ALLOWANCES, AND OTHER FINANCIAL BENEFITS OF PERSONS RENDERING SERVICE DURING AN ELECTION PERIOD, AMENDING FOR THE PURPOSE SECTION 32 (B) (7) OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED”

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

SECTION 1. Section 32(B)(7) of the National Internal Revenue Code of 1997, as
amended, is hereby further amended to read as follows:
“Section 32. Gross Income. –

(A) General Definition. - x x x

(B) Exclusions from Gross Income. - x x x

(1) x x x

(7) Miscellaneous Items. –

(a) x x x

(I) HONORARIA, TRAVEL ALLOWANCE, AND SUCH OTHER BENEFITS AS MAY BE GRANTED BY THE COMMISSION ON ELECTIONS (COMELEC) TO PERSONS RENDERING ELECTION SERVICE PURSUANT TO SECTION 4 OF REPUBLIC ACT NO. 10756, OTHERWISE KNOWN AS THE ‘ELECTION SERVICE REFORM ACT””

SEC. 2. Implementing Rules and Regulations. - The Department of Finance shall, in consultation with the Commission on Elections and the Department of Education, promulgate rules and regulations to implement the provisions of this Act within sixty (60) days from its effectivity.

SEC. 4. Separability Clause. - If any portion or provision of this Act is declared void and unconstitutional, the remaining portions or provisions hereof shall not be affected by such declaration.

SEC. 3. Repealing Clause. – All laws, decrees, rules and regulations, and other issuances inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 5. Effectivity Clause. – This Act shall take effect after fifteen (15) days following its complete publication either in the Official Gazette or in a newspaper of general circulation.

Approved,
FACT SHEET

House Bill No. 9652
(in substitution of House Bills Numbered 225, 5485 and 9218)

"AN ACT
EXEMPTING FROM INCOME TAXATION THE HONORARIA, ALLOWANCES, AND OTHER FINANCIAL BENEFITS OF PERSONS RENDERING SERVICE DURING AN ELECTION PERIOD, AMENDING FOR THE PURPOSE SECTION 32 (B) (7) OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED


Committee Referral: COMMITTEE ON WAYS AND MEANS
Committee Chairperson: REP. JOEY SARTE SALCEDA

OBJECTIVE:

• To acknowledge the service of persons hired by the Commission on Elections during the election period by exempting from the income tax requirement the honoraria, allowances, and other financial benefits granted by the Commission to them

KEY PROVISION:

• Exempts the honoraria, travel allowance and such other benefits granted to persons rendering election service from the computation of individual tax income by including it among the allowable exclusions under Section 32 (B) (7) of the National Internal Revenue Code (NIRC) of 1997, as amended.

RELATED LAWS:

• RA No. 10756, otherwise known as the “Election Service Reform Act”; and
• RA No. 8424, otherwise known as the NIRC of 1997, as amended.