



HOUSE OF REPRESENTATIVES

H. No. 4903

BY REPRESENTATIVES MANALO, BARBERS, CUA, CALDERON, NOEL,
MARCOLETA, SAVELLANO, BATAOIL, ALVAREZ (P.) AND FARIÑAS,
PER COMMITTEE REPORT NO. 75

AN ACT SIMPLIFYING THE DONOR'S TAX RATE, AMENDING FOR
THE PURPOSE SECTION 99 OF THE NATIONAL INTERNAL
REVENUE CODE OF 1997, AS AMENDED

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

SECTION 1. Section 99 of the National Internal Revenue Code of 1997,
as amended, is hereby further amended to read as follows:

“SEC. 99. *Rates of Tax Payable by Donor.* –

“(A) *In General.* – The tax for each calendar year
SHALL BE SIX PERCENT (6%) AND shall be computed on the
basis of the total net gifts made during the calendar year: [in
accordance with the following schedule:]**PROVIDED, THAT**
ANNUAL NET GIFTS NOT EXCEEDING P100,000 SHALL BE
EXEMPT.

[If the net gift is:

Over	But Not Over	The Tax Shall Be	Plus	Of the Excess Over
	P100,000	Exempt		
P100,000	P200,000	0	2%	P100,000
200,000	500,000	2,000	4%	200,000
500,000	1,000,000	14,000	6%	500,000
1,000,000	3,000,000	44,000	8%	1,000,000
3,000,000	5,000,000	204,000	10%	3,000,000
5,000,000	10,000,000	404,000	12%	5,000,000
10,000,000		1,004,000	15%	10,000,000]

“(B) *Tax Payable by Donor if Donee is a Stranger.* – When the donee or beneficiary is a stranger, the tax payable by the donor shall be [thirty percent (30%)] **SIX PERCENT (6%)** of the net gifts. For the purpose of this tax, a ‘stranger’ is a person who is not a:

“(1) Brother, sister (whether by whole or half-blood), spouse, ancestor and lineal descendant; or

“(2) Relative by consanguinity in the collateral line within the fourth degree of relationship.

“x x x.”

SEC. 2. *Implementing Rules and Regulations.* – Within thirty (30) days upon the effectivity of this Act, the Secretary of Finance shall, upon recommendation of the Commissioner of Internal Revenue, promulgate the necessary rules and regulations for its effective implementation.

SEC. 3. *Separability Clause.* – If any provision of this Act is subsequently declared invalid or unconstitutional, other provisions hereof which are not affected thereby shall remain in full force and effect.

SEC. 4. *Repealing Clause.* – All laws, acts, presidential decrees, executive orders, issuances, presidential proclamations, rules and regulations or parts thereof which are contrary to or inconsistent with any provision of this Act are hereby repealed, amended or modified accordingly.

SEC. 5. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,

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