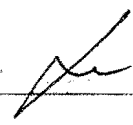


FOURTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Third Regular Session)

OFFICE OF THE SECRETARY
9 SEP 30 PM 127

SENATE
S.B. No. 3467

RECEIVED BY



Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

The aftermath of Typhoon Ondoy showed to the world the best of Filipino traits. Ordinary citizens risked their lives to save strangers. Hard earned savings were given freely to charitable organizations.


However, a few bureaucratic speed bumps were brought to light that impeded the steady flow of donations. Multinationals and some individuals wanted to give huge sums to organizations to help aid the calamity victims. But they would have to face paying a hefty sum for donor's tax. They can avail of exemption if they give to charitable organizations but there are accreditation requirements before exemption applies. They would also have to submit paperwork due to BIR audit procedures. Added to this problem is the fact that not all organizations that have relief operations are accredited charitable organizations.

This bill addresses all of these concerns. As long as a calamity is declared by the proper sanggunian, donations in favor of the victims shall be exempt from taxation notwithstanding the nature of the business of the donee organization. No red tape will also hamper funds from coming in. This bill is based on the response of the United States Congress in granting similar tax treatments in the wake of Hurricane Katrina.


MIRIAM DEFENSOR SANTIAGO

9 SEP 30 P4:27

SENATE
S.B. No. 3467

RECEIVED BY: 

Introduced by Senator Miriam Defensor Santiago

1 AN ACT PROVIDING FOR TAX RELIEF IN TIMES OF CALAMITY

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

4 SECTION 1. *Calamity defined*. – For the purposes of this Act, “Calamity” shall be
5 defined as a state of extreme distress or misfortune, produced by some adverse circumstance or
6 event or any great misfortune or cause or loss or misery caused by natural forces.

7 SECTION 2. *Effect of Declaration of Calamity*. – A declaration of a state of calamity
8 by the proper local Sanggunian shall make effective the following tax relief:

9 A.) The real property tax in the affected area shall not be assessed and collected for two
10 fiscal years, starting from the date of the declaration of a state of calamity;

11 B.) Any donation in the name of any organization that declares that the funds donated
12 shall be in favor of the victims of the calamity shall be exempt from donor’s tax. This exemption
13 from the donor’s tax shall automatically apply and the Bureau of Internal Revenue shall not
14 require any accreditation requirements: *Provided, however,* That not more than 10% of the said
15 gifts shall be used by the donee organization for administration purposes.

16 SECTION 3. *Repealing Clause*. – All laws, decrees, orders, rules and regulations or
17 parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or
18 modified accordingly.

1 SECTION 4. *Separability Clause.* – If, for any reason, any provision of this Act is
2 declared to be unconstitutional or invalid, the other sections or provisions hereof which are not
3 affected thereby shall continue to be in full force and effect.

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

6 Approved,