

SIXTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )



Senate  
Office of the Secretary

'13 DEC 11 P2:43

SENATE

Senate Bill No. 2028

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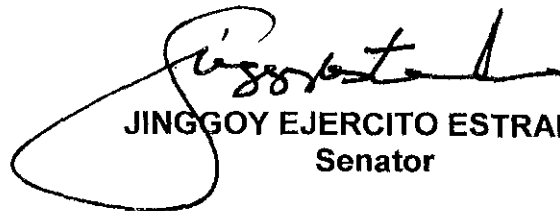
INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

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**EXPLANATORY NOTE**

Medical expenses before death often reach exorbitant amounts. In the computation of the net estate for the payment of the estate tax, deductible medical bills are only allowed up to Five Hundred Thousand Pesos (PhP500,000.00). This needs to be rationalized to reflect the realistic costs of present medical services. Thus, this bill proposes to increase the maximum allowable deductible medical expenses in the computation of the net estate for the payment of the estate tax from Five Hundred Thousand Pesos (PhP500,000.00) to One Million Five Hundred Thousand Pesos (PhP1,500,000.00).

In view of the foregoing, early passage of this bill is earnestly requested.

  
JINGGOY EJERCITO ESTRADA  
Senator



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AN ACT  
AMENDING SECTION 86(A) (6) OF REPUBLIC ACT NO. 8424, AS AMENDED,  
OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF  
1997

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

**SECTION 1.** Section 86 (A) (6) of Republic Act No. 8424, as amended,  
otherwise known as the National Internal Revenue Code of 1997, is hereby  
amended to read as follows:

“(6) *Medical Expenses.* – Medical expenses incurred by the  
descendent within one (1) year prior to his death which shall be  
duly substantiated with receipts: Provided, That in no case shall the  
deductible medical expenses exceed [Five Hundred Thousand  
Pesos (PhP500,000.00)] ONE MILLION FIVE HUNDRED  
THOUSAND PESOS (PhP1, 5000,000.00).”

**SEC. 2. *Repealing Clause.*** – All laws, presidential decrees, executive  
orders, rules and regulations or parts thereof inconsistent with the provisions of  
this Act are hereby repealed or modified accordingly.

**SEC. 3. *Effectivity*** - This Act shall take effect fifteen (15) days following  
the completion of its publication in the *Official Gazette* or in newspaper of  
General or in newspaper of general circulation in the Philippines.

*Approved,*