

THIRTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES }  
*First Regular Session*

'04 JUN 30 P11 '04

SENATE  
S. No. 795

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INTRODUCED BY HON. MANUEL B. VILLAR, JR.

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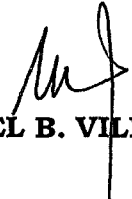
**EXPLANATORY NOTE**

The Constitution recognizes education as a right. This recognition obliges the State to share with the parents the burden of putting their children to school.

Although the State provides for free elementary and secondary education, the quality of education provided in public schools leaves much to be desired.

Hence, this measure proposes an additional tax exemption for actual tuition and other ordinary educational fees or expenses incurred by a taxpayer in the amount not exceeding P20,000.00 annually for each dependent.

For the development of the nation and to ensure the future of the students, early approval of this earnestly sought.

  
MANUEL B. VILLAR, JR.

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**AN ACT  
PROVIDING TAX EXEMPTION ON THE EDUCATIONAL EXPENSES  
INCURRED BY A TAXPAYER, AMENDING SECTION 35 (B) OF THE  
NATIONAL INTERNAL REVENUE CODE OF 1997 AND FOR OTHER  
PURPOSES**

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

SECTION 1. Sec. 35, subsection (B) of the National Internal Revenue Code, shall be amended to read as follows:

"(B) Additional ExemptionS for Dependents. - There shall be allowed an additional exemption of Eight thousand pesos (P8,000.00) for each dependent not exceeding four (4).

**"ACTUAL TUITION FEES AND OTHER ORDINARY EDUCATION EXPENSES INCURRED BY THE TAXPAYER IN THE AMOUNT OF NOT MORE THAN TWENTY THOUSAND PESOS (P20,000.00) A YEAR PER DEPENDENT, BUT NOT EXCEEDING FOUR DEPENDENTS SHALL ALSO BE ALLOWED AS ADDITIONAL EXEMPTION.**

"The additional exemptions for the dependents shall be claimed by only one of the spouses in the case of married individuals.

"In the case of legally separated spouses, additional exemptions may be claimed only by the spouse who has custody of the child or children: *Provided*, That the total amount of additional exemptions that may be claimed by both shall not exceed the maximum additional exemptions herein allowed.

"For the purpose of this Subsection, a 'dependent' means a legitimate, illegitimate or legally adopted child chiefly dependent upon and living with the taxpayer is such dependent is not more than twenty-one (21) years of age, unmarried and not gainfully employed or if such dependent, regardless of age, is incapable of self-support because of mental or physical defect."

SECTION. 2. All provisions of the National Internal Revenue Code, inconsistent with the above provision, are hereby amended accordingly.

SECTION. 3. This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

*Approved,*