

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



Senate  
Office of the Secretary

16 JAN 25 P5 20

SENATE  
S. No. 3128

RECEIVED BY: 

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Introduced by Senator Miriam Defensor Santiago

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AN ACT  
PROVIDING FOR TAX RELIEF IN TIMES OF CALAMITY

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.<sup>1</sup>

*Miriam Defensor Santiago*  
MIRIAM DEFENSOR SANTIAGO  
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<sup>1</sup> This bill was originally filed during the Fourteenth Congress, Third Regular Session



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

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

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

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

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

15 SECTION 3. *Separability Clause.* – If any provision of this Act is held invalid or  
16 unconstitutional, the same shall not affect the validity and effectivity of the other  
17 provisions hereof.

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1           SECTION 4. *Repealing Clause.* – All laws, decrees, orders, and issuances, or  
2 portions thereof, which are inconsistent with the provisions of this Act, are hereby  
3 repealed, amended or modified accordingly.

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

Approved,

clr/1Dec2015