


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

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SENATE
S. No. 1307

APPROVED BY: 

Introduced by Senator Biazon

EXPLANATORY NOTE

This bill seeks to grant tax exemption to public school teachers who have accepted temporary appointment or as substitute within the first five years following their permanent appointment.

Undoubtedly, there is a great demand now for public school teachers in the rural areas especially considering the shortage brought about lately by the exodus of teachers for overseas employment. However, the difficulties of life in the rural areas, such as in transportation, lodging or insurgency problem, to mention only a few, have discouraged teachers to be employed there.

Thus, it is the sincere belief of the undersigned that with this privilege of tax exemption on salary, more new teachers will be encouraged to accept teaching job in remote areas, even as substitutes, where usually vacancy of temporary nature exists. This is because public school teachers in this category either will get an equal take home pay or a regular public school teacher may even get more than latter due to the savings they get from being tax exempt. This bill will encourage too, those substitute teachers to stay on their assignments even after becoming permanent teachers because of the extended tax exemption for the next five years. It cannot be ignored that the tax exemption on the income of teachers will mean extra money for them to spare for their other needs.

For the foregoing considerations, the approval of this bill is urgently requested.



RODOLFO G. BIAZON
Senator

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AN ACT
EXEMPTING FROM TAX ALL ALLOWANCES AND BENEFITS
GRANTED TO PUBLIC SCHOOL TEACHERS, INCLUDING
THOSE IN THE STATE COLLEGES AND UNIVERSITIES

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

SECTION 1. *Short Title.* – This Act shall be referred to as “The Public School Teachers’ Tax Incentive Act”.

SEC. 2. *Statement of Policy.* – It is hereby declared the policy of the State to assign the highest budgetary priority to education and ensure that teaching will attract and retain its rightful share of the best available talents through adequate remuneration and other means of job satisfaction and fulfillment. [(Art. XIV, Sec. 5 (5)).

It is further declared a policy and commitment of the State to promote and improve the economic status of all public school teachers, including those in State colleges and universities by increasing their take home pay through exemption from tax all allowances and benefits granted to them.

SEC. 3. *Exclusions from Gross Income.* – All allowances and benefits granted to public school teachers, including those in the State colleges and universities at all levels, shall not be included in the computation of gross income and shall be exempt from taxation under Title III, Chapter VI of Republic Act No. 8424, otherwise known as the “Tax Reform Act of 1997”.

SEC. 4. *Exemption from Attachment, Levy, and Execution.* – All benefits and allowances referred to herein shall likewise not be subject to attachment, levy, and execution.

SEC. 5. *Rules and Regulation.* – The Commissioner of the Bureau of Internal Revenue is hereby authorized to promulgate such rules and regulations as may be necessary to implement the provisions of this Act.

SEC. 6. *Repealing Clause.* – All laws, decrees, executive orders, letters of instruction, letters of instruction, letters of implementation, rules and regulations, and other issuances inconsistent with any provision of this Act are hereby repealed, modified, superseded or amended accordingly.

SEC. 7. *Separability Clause.* – If any provision of this Act or the application of such provision to any person or circumstance is held invalid for any reason, the remainder of this Act or the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 8. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in any two (2) newspapers of general circulation.

Approved,