

'22 MAY 23 AIO :47

SENATE

COMMITTEE REPORT No. 641

Submitted jointly by the Committees on Ways and Means; and Electoral Reforms and People's Participation on MAY 23 2022

Re: Senate Bill No. 2520

Recommending its approval in substitution of Senate Bill Nos. 117, 1193, and 2456 taking into consideration House Bill No. 9652.

Sponsor: Sen. Pia S. Cayetano

MR. PRESIDENT:

The Committees on Ways and Means; and Electoral Reforms and People's Participation to which were referred Senate Bill No. 117, introduced by Senator Binay, entitled:

AN ACT  
EXEMPTING FROM INCOME TAX COMPENSATION GIVEN TO TEACHERS  
FOR SERVING AS MEMBERS OF THE ELECTORAL BOARD FOR NATIONAL  
OR LOCAL ELECTIONS

Senate Bill No. 1193, introduced by Senator Gatchalian, entitled:

AN ACT  
FURTHER AMENDING SECTION 32 OF REPUBLIC ACT NO. 8424,  
OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF  
1997, AS AMENDED, AND FOR OTHER PURPOSES

Senate Bill No. 2456, introduced by Senator De Lima, entitled:

AN ACT  
EXEMPTING FROM INCOME TAXATION THE HONORARIA, ALLOWANCE,  
AND OTHER FINANCIAL BENEFITS OF PERSONS RENDERING SERVICE  
DURING AN ELECTION PERIOD, AMENDING FOR THE PURPOSE SECTION  
32(B)(7) OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS  
AMENDED

and House Bill No. 9652, introduced by Representatives Salceda, Castro, Zarate, Cuaresma, Pimentel, *et al.*, entitled:

AN ACT  
EXEMPTING FROM INCOME TAXATION THE HONORARIA,  
ALLOWANCES, AND OTHER FINANCIAL BENEFITS OF PERSONS  
RENDERING SERVICE DURING AN ELECTION PERIOD, AMENDING FOR  
THE PURPOSE SECTION 32(B)(7) OF THE NATIONAL INTERNAL REVENUE  
CODE OF 1997, AS AMENDED


have considered the same and have the honor to report these back to the Senate with the recommendation  
that the attached bill, Senate Bill No. 2520, prepared by the Committees, entitled:

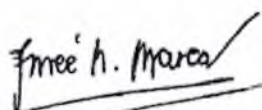
AN ACT  
EXEMPTING FROM INCOME TAXATION THE HONORARIA,  
ALLOWANCES, AND OTHER FINANCIAL BENEFITS OF PERSONS  
RENDERING SERVICE DURING AN ELECTION PERIOD, AMENDING FOR  
THE PURPOSE SECTION 32(B)(7) OF THE NATIONAL INTERNAL REVENUE  
CODE OF 1997, AS AMENDED

be approved in substitution of Senate Bill Nos. 117, 1193, and 2456 taking into consideration House Bill  
No. 9652 with Senators Binay, Gatchalian, De Lima, Cayetano, and Marcos as authors.

Respectfully Submitted:

*Chairpersons*

  
PIA S. CAYETANO  
Committee on Ways and Means

  
IMEE R. MARCOS  
Committee on Electoral Reforms and People's Participation  
Member, Committee on Ways and Means

*Vice Chairpersons*



**SONNY ANGARA**

Committee on Ways and Means

**PANFILO M. LACSON**

Committee on Electoral Reforms and People's Participation

**Members**



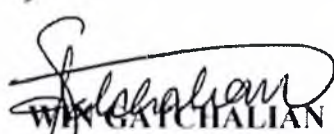
**CHRISTOPHER LAWRENCE T. GO**

Committees on Ways and Means; and  
Electoral Reforms and People's Participation



**RICHARD J. GORDON**

Committee on ways and means



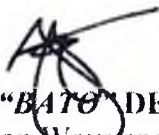
**WEN GATCHALIAN**

Committee on Ways and Means



**MANUEL "LITO" M. LAPID**

Committee on Ways and Means

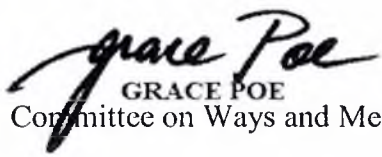


**RONALD "BATO" DELA ROSA**

Committees on Ways and Means; and  
Electoral Reforms and People's Participation


**EMMANUEL "MANNY" D. PACQUIAO**

Committee on Ways and Means



**GRACE POE**

Committee on Ways and Means



**RAMON BONG REVILLA, JR.**

Committees on Ways and Means; and Electoral  
Reforms and People's Participation



**RISA HONTIVEROS**

**FRANCIS "KIKO" PANGILINAN**  
Committees on Ways and Means; and  
Electoral Reforms and People's Participation

Committees on Ways and Means; and Electoral  
Reforms and People's Participation

**RONALD "BATO" DELA ROSA**  
Committees on Ways and Means; and  
Electoral Reforms and People's Participation

**EMMANUEL "MANNY" D. PACQUIAO**  
Committee on Ways and Means

**GRACE POE**  
Committee on Ways and Means

**RAMON BONG REVILLA, JR.**  
Committees on Ways and Means; and Electoral  
Reforms and People's Participation

**FRANCIS "KIKO" RANGILINAN**  
Committees on Ways and Means; and  
Electoral Reforms and People's Participation

**RISA HONTIVEROS**  
Committees on Ways and Means; and Electoral  
Reforms and People's Participation

**LEILA M. DE LIMA**  
Committee on Ways and Means

**MARIA LOURDES NANCY S. BINAY**  
Committee on Electoral Reforms and People's  
Participation

**AQUILINO "KOKO" PIMENTEL III**  
Committee on Electoral Reforms and People's  
Participation

**FRANCIS "TOL" N. TOLENTINO**  
Committee on Electoral Reforms and People's  
Participation

**CYNTHIA A. VILLAR**  
Committee on Electoral Reforms and People's Participation

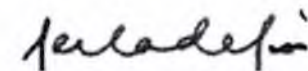
**Ex-Officio Members**

**JUAN MIGUEL "MIGZ" F. ZUBIRI**  
Majority Leader

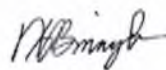
**FRANKLIN M. DRILON**  
Minority Leader

**RALPH G. RECTO**  
Senate President Pro-Tempore

**VICENTE C. SOTTO III**  
*President*  
Senate of the Philippines  
Pasay City

  
**LEILA M. DE LIMA**

Committee on Ways and Means



**MARIA LOURDES NANCY S. BINAY**  
Committee on Electoral Reforms and People's  
Participation

**AQUILINO "KOKO" PIMENTEL III**  
Committee on Electoral Reforms and People's  
Participation

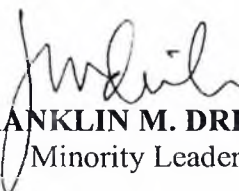
**FRANCIS "TOL" N. TOLENTINO**  
Committee on Electoral Reforms and People's  
Participation

**CYNTHIA A. VILLAR**  
Committee on Electoral Reforms and People's Participation

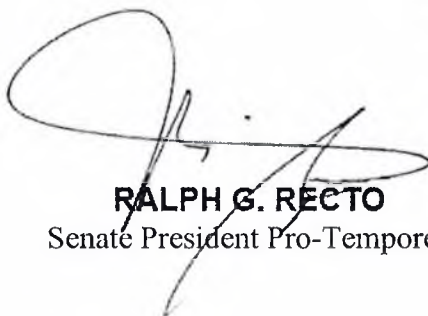
**Ex-Officio Members**



**JUAN MIGUEL "MIGZ" F. ZUBIRI**  
Majority Leader



**FRANKLIN M. DRILON**  
Minority Leader



**RALPH G. RECTO**  
Senate President Pro-Tempore

**VICENTE C. SOTTO III**  
*President*  
Senate of the Philippines  
Pasay City

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

'22 MAY 23 AIO :47

SENATE

S. No. 2520

REF:



(In substitution of S.B. Nos. 117, 1193, and 2456, taking into consideration  
H.B. No. 9652)

Prepared jointly by the Committees on Ways and Means; and Electoral  
Reforms and People's Participation, with Senators Binay, Gatchalian, De Lima,  
Cayetano, and Marcos as authors

**AN ACT**

**EXEMPTING FROM INCOME TAXATION THE HONORARIA, ALLOWANCES,  
AND OTHER FINANCIAL BENEFITS OF PERSONS RENDERING SERVICE  
DURING AN ELECTION PERIOD, AMENDING FOR THE PURPOSE SECTION 32  
(B) (7) OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED**

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

1 **SECTION 1.** Section 32 (B) (7) of the National Internal Revenue Code of 1997, as  
2 amended, is hereby further amended to read as follows:

3 "Section 32. Gross Income. -

4 (A) General Definition. - x x x

5 (B) Exclusions from Gross income. - x x x

6 (1) x x x

7 (7) Miscellaneous Items. -

8 (a) x x x

9 (I) HONORARIA, TRAVEL ALLOWANCE, AND  
10 SUCH OTHER BENEFITS AS MAY BE  
11 GRANTED BY THE COMMISSION ON  
12 ELECTIONS TO PERSONS RENDERING  
13 ELECTION SERVICE PURSUANT TO SECTION



1 4 OF REPUBLIC ACT NO. 10756, OTHERWISE  
2 KNOWN AS THE "ELECTION SERVICE  
3 REFORM ACT": *PROVIDED*, THAT THIS SHALL  
4 APPLY TO THE MAY 9, 2022 NATIONAL AND  
5 LOCAL ELECTIONS AND THEREAFTER."

6 **SEC. 2. *Implementing Rules and Regulations.*** - The Department of Finance shall,  
7 in consultation with the Commission on Elections and the Department of Education,  
8 promulgate rules and regulations to implement the provisions of this Act within sixty  
9 (60) days from its effectivity.

10 **SEC. 3. *Separability Clause.*** - If any portion or provision of this Act is declared void  
11 and unconstitutional, the remaining portions or provisions hereof shall not be  
12 affected by such declaration.

13 **SEC. 4. *Repealing Clause.*** - All laws, decrees, rules and regulations, and other  
14 issuances inconsistent with this Act are hereby repealed or modified accordingly.

15 **SEC. 5. *Effectivity Clause.*** - This Act shall take effect after fifteen (15) days  
16 following its complete publication either in the Official Gazette or in a newspaper of  
17 general circulation.

*Approved,*