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SENATE

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S. B. No. 2301

Introduced by Senator Manuel "Lito" M. Lapid

EXPLANATORY NOTE

The prime duty of the Government is to serve and protect the people and provide a system that protects the rights and welfare not only of the rich but also of the poor. In this light, it behooves upon the State to ensure that legal assistance is constantly and effectively rendered to the underprivileged.

In accord with this vision, this proposed measure encourages the members of the Bar to offer and provide legal services to the impoverished and those who cannot afford the legal services of good lawyers with the arrangement that their services to the paupers and those who cannot afford will be charged as a tax credit.

While the framework of our existing laws and statutes provides that the accused has the right to be heard by himself and counsel and that the same accused has the right to a speedy trial, many of these inviolable rights are not being served to the poor and the underprivileged for the very reason that they cannot afford the services of a private counsel. The Public Attorney's Office cannot possibly handle all cases which merit their attention. There has to be a mechanism wherein the poor can be given the counsel of a good lawyer while at the same time providing these lawyers with tax credits in order to encourage them to serve the poor.

Under this proposed measure, a lawyer shall be entitled to a tax credit in the amount of Ten Thousand Pesos (Php10,000.00) to Thirty Thousand Pesos (Php30,000.00) in a taxable year for all legal services rendered to a pauper client: *Provided*, That if the services involve litigation, he/she shall be entitled to a tax credit of Fifty Thousand Pesos (Php50,000.00) when litigation is finally concluded and no legal service is needed further by the pauper client in the particular case. The term "*free legal services*" shall include legal counseling, preparation of deeds and documents, appearance before the administrative and quasi-judicial offices, bodies and tribunals, handling cases in court, and other similar services.

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


MANUEL "LITO" M. LAPID
Senator

SEC. 4. *Definition of Terms.* - The term “*free legal services*” shall include legal counseling, preparation of deeds and documents, appearance before the administrative and quasi-judicial offices, bodies and tribunals, handling cases in court, and other similar services.

SEC. 5. *Pauper Client.* - For purposes of this Act, an individual shall be considered a pauper client if he/she has no visible means of income or has insufficient income to support his/her family, upon proper showing that he/she has no means to that effect by affidavits, certificate of his/her corresponding provincial, city or municipal treasurer, or otherwise, as provided in the existing laws.

SEC. 6. *Availment of Tax Credit.* - In order to avail of the tax credit, a lawyer must make a sworn statement that he/she has rendered legal services to a pauper client and he/she must obtain a Certificate of Services Rendered to a Pauper Client from the Clerk of Court or authorized representative of the particular office, agency, administrative body, court or tribunal where such service was rendered. Such certificate must indicate the action taken by the court, tribunal or office on the service rendered.

Both the statement and certificate shall be submitted to the Bureau of Internal Revenue.

SEC. 7. *Implementing Rules and Regulations (IRR).* - The Commissioner of the Bureau of Internal Revenue (BIR) is hereby authorized to promulgate rules and regulations for the implementation of this Act.

SEC. 8. *Separability Clause.* - If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected by such declaration, shall remain in full force and effect.

SEC. 9. *Repealing Clause.* - Any law, decree, ordinance, administrative circulars not consistent with any provision of this Act is hereby amended, repealed or modified accordingly.

SEC. 10. *Effectivity Clause.* - This act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,