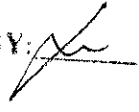




FIFTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

'11 MAY 31 P5:12

RECEIVED BY: 

SENATE

COMMITTEE REPORT NO. 43

Submitted by the Committee on Ways and Means on MAY 31 2011.

Re : Senate Bill No. 2855

Recommending its approval in substitution of Senate Bill Nos. 388, 2139 and 2624

Sponsor: Senator Ralph G. Recto

MR. PRESIDENT:

The Committee on Ways and Means, to which were referred S.B. No. 388, introduced by Senator Trillanes IV, entitled:

"AN ACT
INCREASING THE ADDITIONAL EXEMPTION FOR TAXPAYERS WITH DEPENDENTS INCAPABLE OF SELF-SUPPORT BECAUSE OF MENTAL OR PHYSICAL DEFECT, OR WITH DISABILITIES AND BOTH SPOUSES TO CLAIM THE SAME, AMENDING FOR THE PURPOSE SECTION 35(B) OF REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF THE PHILIPPINES, AND FOR OTHER PURPOSES",

Senate Bill No. 2139, introduced by Senator Recto, entitled:

"AN ACT
REMOVING THE LIMITATION IN THE NUMBER OF ALLOWABLE DEPENDENTS COVERED BY THE ADDITIONAL PERSONAL EXEMPTION FOR INDIVIDUAL TAXPAYER, AMENDING FOR THE PURPOSE SECTION 4 OF REPUBLIC ACT 9504"

and Senate Bill No. 2624, introduced by Senator Villar, entitled:

"AN ACT
GRANTING TAX DEDUCTIONS TO PARENTS AND LEGAL GUARDIANS OF CHILDREN WITH SPECIAL NEEDS"

has considered the same and has the honor to report the bills back to the Senate with the recommendation that the attached Senate Bill No 2855 prepared by the Committee, entitled:

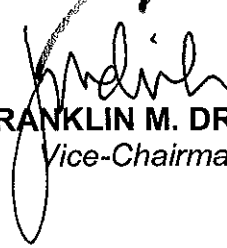
"AN ACT
PROVIDING ADDITIONAL RELIEF TO FAMILIES WITH
DEPENDENTS, SUPPORTING AGING PARENTS AND DISABLED
PERSONS"

be approved in substitution of Senate Bill Nos. 388, 2139, and 2624 with Senators Trillanes IV, Recto and Villar as authors thereof.

Respectfully submitted:



RALPH G. RECTO
Chairman



FRANKLIN M. DRILON
Vice-Chairman

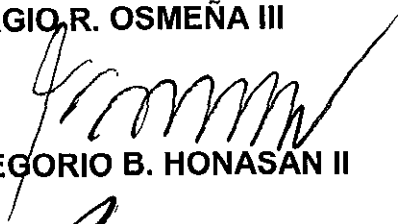
Members:



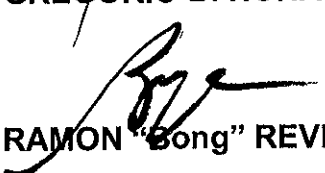
FRANCIS N. PANGILINAN
with Angel



SERGIO R. OSMEÑA III



GREGORIO B. HONASAN II

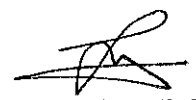


RAMON "Bong" REVILLA, JR.

MANNY VILLAR



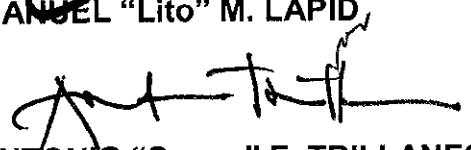
TEOFISTO L. GUINGONA III



FRANCIS "Chiz" G. ESCUDERO



MANUEL "Lito" M. LAPID



ANTONIO "Sonny" F. TRILLANES IV

EDGARDO J. ANGARA


MIRIAM DEFENSOR SANTIAGO


JOKER P. ARROYO


PIA S. CAYETANO

Ex Officio Members:


JINGGOY EJERCITO ESTRADA
President Pro-Tempore


VICENTE C. SOTTO III
Majority Leader


ALAN PETER "Compañero" S. CAYETANO
Minority Leader

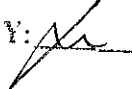
HON. JUAN PONCE ENRILE
President
Senate of the Philippines
Pasay City

'11 MAY 31 P5:12

SENATE

S. No. **2855**

(In substitution of S. Nos. 388, 2139, and 2624)

RECEIVED BY: 

Prepared by the Committee on Ways and Means with Senators Trillanes IV, Recto
and Villar as authors thereof

**AN ACT
PROVIDING ADDITIONAL RELIEF TO FAMILIES WITH DEPENDENTS,
SUPPORTING AGING PARENTS AND DISABLED PERSONS.**

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

1 SECTION 1. *Short Title.* - *This Act shall be known as the "Additional Relief to*
2 *Families Act."*

3 SEC. 2. *Declaration of Policy and Objectives.* – The State recognizes the
4 Filipino family as the foundation of the nation. Accordingly it shall strengthen its
5 solidarity and actively promote its total development.

6 Further, the Constitution declares that the family has the duty to take care of
7 its elderly members but the State may also do so through just programs of social
8 security.

9 Towards this end, Congress shall give highest priority to the enactment of
10 measures that will grant reprieves, and reduce social and economic inequalities by
11 alleviating the financial conditions of every family especially those with more
12 children; individuals caring for aging parents, and those who act as legal guardians
13 to persons with mental or physical handicap.

1 SEC. 3. *Additional Reliefs.* – In addition to the benefits granted under existing
2 laws, Section 35(B) of Republic Act No. 8424, otherwise known as the National
3 Internal Revenue Code of 1997, as amended by Republic Act No. 9504, is hereby
4 further amended, to read as follows:

5 "SEC. 35. *Allowance of Personal Exemption for Individual Taxpayer.*

6 "(A) *In General.* - For purposes of determining the tax provided in
7 Section 24(A) of this title, there shall be allowed a basic personal
8 exemption amounting to Fifty thousand pesos (P50,000) for each
9 individual taxpayer.

10 "In the case of married individual where only one of the spouses
11 is deriving gross income, only such spouse shall be allowed the
12 personal exemption.

13 "(B) *Additional Exemption for Dependents.* - There shall be allowed an
14 additional exemption of Twenty-five thousand pesos (P25,000) for
15 each dependent [not exceeding four (4)].

16 "For purposes of this Subsection, THE TERM [a] "dependent/S"
17 SHALL mean[s a]:

18 "1) ONE OR MORE UNMARRIED legitimate, LEGITIMATED,
19 illegitimate or legally adopted child NOT MORE THAN
20 TWENTY-ONE (21) YEARS OF AGE, [chiefly dependent upon
21 and] living with the taxpayer, [if such dependent is not more
22 than twenty-one (21) years of age, unmarried and] not gainfully
23 employed, [or if such dependent] AND DEPENDENT UPON
24 THE LATTER FOR CHIEF SUPPORT, OR WHERE SUCH
25 CHILD, regardless of age, is incapable of self-support because
26 of mental or physical [defect] HANDICAP.

1 "The additional exemption for dependents REFERRED
2 HEREIN shall be claimed by only one of the spouses in the
3 case of married individuals.

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

9 "2) A PARENT OR BOTH PARENTS, NOT GAINFULLY
10 EMPLOYED, LIVING WITH THE TAXPAYER, AND
11 DEPENDENT UPON THE LATTER FOR CHIEF SUPPORT,
12 OR WHERE SUCH PARENTS, REGARDLESS OF INCOME,
13 ARE INCAPABLE OF SELF-SUPPORT BECAUSE OF
14 MENTAL OR PHYSICAL HANDICAP.

15 "AN INDIVIDUAL TAXPAYER WHO ACTS AS LEGAL
16 GUARDIAN TO A PERSON WITH MENTAL OR PHYSICAL
17 HANDICAP, REGARDLESS OF AGE AND INCAPABLE OF SELF-
18 SUPPORT, MAY CLAIM THE ADDITIONAL EXEMPTION FOR THE
19 SAID DEPENDENT: *PROVIDED*, THAT ONLY THE LEGAL
20 GUARDIAN CAN AVAIL OF THE ADDITIONAL EXEMPTION FOR A
21 PARTICULAR TAXABLE YEAR TO THE EXCLUSION OF THE
22 BIOLOGICAL PARENTS.

23 "xxx."

24 SEC. 4. *Penalty.* – Notwithstanding the penalty provided for in Section 267 of
25 the National Internal Revenue Code of 1997, as amended, any person who willfully
26 violates the preceding section by declaring fictitious dependents shall, upon

1 conviction, be liable for the payment of a fine equivalent to thrice the amount of tax,
2 interest and surcharges due from the taxpayer.

3 SEC. 5. *Implementing Rules and Regulations.* - The Department of Finance
4 in coordination with the Bureau of Internal Revenue, and the Department of Social
5 Welfare and Development shall issue the necessary implementing rules and
6 regulations within thirty (30) days upon the approval of this Act.

7 SEC. 6. *Separability Clause.* - If any provision of this Act is declared
8 unconstitutional or invalid, other parts or provisions hereof not affected thereby shall
9 continue to be in full force and effect.

10 SEC. 7. *Repealing Clause.* - All laws, decrees, rules and regulations
11 inconsistent with the provisions of this Act are hereby repealed, amended or
12 modified accordingly.

13 SEC. 8. *Effectivity.* - This Act shall take effect fifteen (15) days following its
14 publication in at least (2) newspapers of general circulation or the Official Gazette.

Approved,