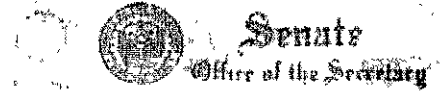


SIXTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



13 JUL -1 P3:46

SENATE

APPROVED BY:

S. NO. 163

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Introduced by Senator Antonio "Sonny" F. Trillanes IV

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### EXPLANATORY NOTE

In the Philippines, existing laws created several governmental agencies which have been carrying out various responsibilities in the care of aging persons and persons with disabilities. This only proves the country's desire in putting forward the rights of citizens suffering from disabilities.

Apart from being concerned alone with the plight of aging persons and persons with disabilities, parents who look after their aging dependents, and who raise their dependents with disabilities should also be given enough consideration. Guardians must be entitled to claim for the additional exemption for the reason that it is they who undeniably support and nurture these dependents. It could not be concealed that families with aging dependents and dependents suffering from disability need added resources specifically for their medication and therapy.

Thus, this measure seeks to provide additional economic reprieve to families, particularly taxpayers who bear the responsibility of looking after their children, parents, and even persons with disabilities by reducing their tax burden. Moreover, this measure seeks to amend Section 35, paragraph B of the National Internal Revenue Code of 1997, as amended by Republic Act 9504, to take away four-dependent cap that a taxpayer may claim for deductions.

This measure was filed and approved on third reading by both chambers of Congress during the 15th Congress but was not enacted into law due to lack of material time.

It is hoped that the passage of this measure will finally alleviate the plight of our taxpayers by allowing them to cope with the cost of nobly caring for their dependents requiring special care.

In view of the foregoing, immediate enactment of this measure is earnestly sought.

ANTONIO "SONNY" F. TRILLANES IV  
Senator

SENATE

S. NO. 163

RECEIVED BY: *ji*

Introduced by Senator Antonio "Sonny" F. Trillanes IV

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 of 2013*".

3

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

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

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

14

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

19

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

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

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

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

10 "For purposes of this Subsection, **THE TERM** [a] "dependent/S" **SHALL**  
11 mean[s a]:

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

19 "The additional exemption for dependents **REFERRED HEREIN** shall be  
20 claimed by only one of the spouses in the case of married individuals.

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

25 2) **A PARENT OR BOTH PARENTS, NOT GAINFULLY EMPLOYED,**  
26 **LIVING WITH THE TAXPAYER, AND DEPENDENT UPON THE**  
27 **LATTER FOR CHIEF SUPPORT, OR WHERE SUCH PARENTS,**

1           REGARDLESS OF INCOME, ARE INCAPABLE OF SELF-SUPPORT  
2           BECAUSE OF MENTAL OR PHYSICAL HANDICAP.

3           "AN INDIVIDUAL TAXPAYER WHO ACTS AS LEGAL  
4           GUARDIAN TO A PERSON WITH MENTAL OR PHYSICAL  
5           HANDICAP, REGARDLESS OF AGE AND INCAPABLE OF SELF-  
6           SUPPORT, MAY CLAIM THE ADDITIONAL EXEMPTION FOR THE  
7           SAID DEPENDENT: *PROVIDED*, THAT ONLY THE LEGAL  
8           GUARDIAN CAN AVAIL OF THE ADDITIONAL EXEMPTION FOR  
9           A PARTICULAR TAXABLE YEAR TO THE EXCLUSION OF THE  
10          BIOLOGICAL PARENTS.

11          "xxx."

12  
13          **SEC. 4. *Penalty.*** - Notwithstanding the penalty provided for in Section 267 of the  
14 National Internal Revenue Code of 1997, as amended, any person who willfully violates the  
15 preceding section by declaring fictitious dependents shall, upon conviction, be liable for the  
16 payment of a fine equivalent to thrice the amount of tax, interest and surcharges due from the  
17 taxpayer.

18  
19          **SEC. 5. *Implementing Rules and Regulations.*** - The Department of Finance in  
20 coordination with the Bureau of Internal Revenue, and the Department of Social Welfare and  
21 Development shall issue the necessary implementing rules and regulations within thirty (30) days  
22 upon the approval of this Act.

23  
24          **SEC. 6. *Separability Clause.*** - If any provision of this Act is declared unconstitutional or  
25 invalid, other parts or provisions hereof not affected thereby shall continue to be in full force and  
26 effect.

27

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

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

*Approved,*