

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



Senate
Office of the Secretary

'13 DEC -9 P4:50

SENATE
S. B. NO. **2008**

RECEIVED BY: *ja*

Introduced by Senator Maria Lourdes Nancy S. Binay

EXPLANATORY NOTE

Republic Act No. 7277, or the "Magna Carta for Disabled Persons" instituted policies to ensure the rehabilitation, self-development, and self-reliance of disabled persons and their integration into the mainstream of society. For this purpose, the State adopted measures to encourage private sector participation in promoting the welfare of disabled persons in order to encourage disabled persons to seek gainful employment.

However, once a disabled person is integrated into the mainstream society and afforded an opportunity for self-development, disabled persons still continue to bear the costs of therapy in order to sustain vital function and other medical expenses associated with their condition.

To ease the burden of financial costs associated with their disabilities, this proposed bill seeks to address these hardships by using the tax system, as an instrument of social policy, and granting disabled person tax relief.

The special tax treatment accorded to disabled persons does not seek to discriminate them as marginalized members of the society, but a recognition of the hard reality that disabled persons endure economic hardships which are unique to their physical condition.

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


MARIA LOURDES NANCY S. BINAY
Senator

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1 AN ACT GRANTING TAX RELIEF TO DISABLED PERSONS, AND FOR OTHER
2 PURPOSES
3
4

5 *Be it enacted by the Senate and House of Representatives of the Philippines in Congress*
6 *assembled:*
7

8 **SECTION 1.** *Title.* This Act shall be known as “*Tax Relief for Disabled Persons Act of*
9 *2013.*”
10

11 **SECTION 2.** *Declaration of Policy.* The State affirms the principle that disabled persons are
12 part of Philippine society. The State shall give full support to the improvement of the total
13 well-being of disabled persons and their integration into the mainstream of society. Toward
14 this end, the State shall adopt policies ensuring the rehabilitation, self-development and self-
15 reliance of disabled persons. It shall develop their skills and potentials to enable them to
16 compete favorably for available opportunities.
17

18 **SECTION 3.** *Definition of Terms.* As used in this Act, the term “disabled person” shall refer
19 to those suffering from restriction or different abilities, as a result of a mental, physical or
20 sensory impairment, to perform an activity in the manner or within the range considered
21 normal for a human being, as the terms is used in Republic Act No. 7277, or the Magna Carta
22 for the Disabled Person.
23

24 **SECTION 4.** *Incentives.* Disabled persons shall be entitled to the following incentives:
25

26 (a) All allowances and benefits granted to disabled persons shall be excluded
27 from the computation of gross income, and shall be exempt from taxation
28 under Republic Act No. 8424, otherwise known as the “National Internal
29 Revenue Code of 1997”;
30

31 (b) Twenty percent (20%) discount on the sale of the goods and services on food,
32 clothing, transportation, medicine, medical services, dental services, and other
33 basic necessity from all establishments for the exclusive use and enjoyment or
34 availment of the disabled person. In the purchase of goods and services which
35 are on promotional discount, the disabled person can avail of the
36 establishment's offered discount or the 20% discount provided herein,
37 whichever is higher and more favorable; and
38

1 (c) A minimum of five percent (5%) discount relative to the monthly utilization of
2 water and electricity by households with disabled persons; *provided*, further,
3 that the monthly consumption does not exceed thirty cubic meters (30m²) of
4 water and one hundred kilowatt hours (100 kWh) of electricity; *provided*,
5 furthermore, that the privilege is granted per household regardless of the
6 number of disabled persons residing therein.
7

8 **SECTION 5. *Tax Deduction.*** The establishment granting the discount under Section 4 (b)
9 and (c) hereof may claim the discounts provided as tax deductions based on the cost of the
10 goods sold or services rendered; *provided*, that the cost of the discount shall be allowed as
11 deduction from the gross income for the same taxable year that the discount is granted;
12 *provided*, further, that the total amount of the claimed tax deduction net of VAT, if
13 applicable, shall be included in their gross sales receipts for tax purposes and shall be subject
14 to proper documentation and to the provisions of the *National Internal Revenue Code of*
15 *1997*, as amended.
16

17 **SECTION 6. *Implementation.*** The Bureau of Internal Revenue, in consultation with all
18 relevant government agencies shall issue implementing rules and regulations within ninety
19 (90) days from effectivity hereof, and such other rules and regulations as may be necessary to
20 carry out the purpose of this Act.
21

22 **SECTION 7. *Separability Clause.*** If any portion or provision of this Act is declared void
23 and unconstitutional, the remaining portions or provisions hereof shall not be affected by
24 such declaration.
25

26 **SECTION 8. *Repealing Clause.*** All laws, decrees, orders, rules and regulations, other
27 issuances, or parts thereof inconsistent with the provisions of this Act are hereby repealed or
28 modified accordingly.
29

30 **SECTION 9. *Effectivity Clause.*** This Act shall take effect fifteen (15) days after its complete
31 publication in at least two (2) national newspapers of general circulation.
32

33 Approved.