



## HOUSE OF REPRESENTATIVES

H. No. 4970

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BY REPRESENTATIVES TINIO, BELMONTE (J.), BINAY, ANGARA-CASTILLO, BRAVO (A.), PAEZ, COLMENARES, ZARATE, ABU, TREÑAS, SUANSING, TAN (A.), TAMBUNTING, RELAMPAGOS, YAP (A.), QUIMBO, HOFER, PICHAY, ABELLANOSA, GARIN (S.), DEI MAR, GUNIGUNDO, NOEL, ILAGAN, HICAP, DE JESUS, RIDON, TEJADA, ZAMORA (R.), TY, GO (A.C.), FLORIS, VILLAR. SY-ALVARADO, CUEVA AND CATAMCO, PER COMMITTEE REPORT NO. 414

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AN ACT INCREASING THE CEILING FOR THE TOTAL EXCLUSION FROM GROSS INCOME OF 13<sup>TH</sup> MONTH PAY AND OTHER BENEFITS TO SEVENTY THOUSAND PESOS (P70,000), AMENDING FOR THE PURPOSE SECTION 32(B)(7)(E) OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

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

1           SECTION 1. Section 32(B)(7)(e) of the National Internal Revenue Code  
2 of 1997, as amended, is hereby further amended to read as follows:  
3           “SEC. 32. *Gross Income.* –  
4           “(A) x x x  
5           “(B) *Exclusions from Gross Income.* – The following  
6 items shall not be included in gross income and shall be exempt  
7 from taxation under this Title:

1 "x x x

2 "(7) *Miscellaneous Items.* –

3 "x x x

4 "(e) *13<sup>th</sup> Month Pay and Other Benefits.* – Gross  
5 benefits received by officials and employees of public and  
6 private entities: *Provided, however,* That the total exclusion  
7 under this subparagraph shall not exceed [Thirty thousand pesos  
8 (P30,000)] **SEVENTY THOUSAND PESOS (P70,000)** which shall  
9 cover:

10 "(i) x x x

11 "(ii) x x x

12 "(iii) x x x

13 "(iv) Other benefits such as productivity incentives and  
14 Christmas bonus: *Provided, further,* That the ceiling of [Thirty  
15 thousand pesos (P30,000)] **SEVENTY THOUSAND PESOS**  
16 **(P70,000)** [may] **SHALL** be increased through rules and  
17 regulations issued by the Secretary of Finance, upon  
18 recommendation of the Commissioner, after considering, among  
19 others, the effect on the same of the inflation rate at the end of  
20 the taxable year.”

21 *SEC. 2. Implementing Rules and Regulations.* – The Secretary of  
22 Finance shall, upon the recommendation of the Commissioner of Internal  
23 Revenue, promulgate the necessary rules and regulations for the effective  
24 implementation of this Act.

25 *SEC. 3. Repealing Clause.* – All laws, acts, presidential decrees,  
26 executive orders, issuances, presidential proclamations, rules and regulations

1 or parts thereof which are contrary to and inconsistent with any of the  
2 provisions of this Act are hereby repealed, amended or modified accordingly.

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

Approved.

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