


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



'15 MAY 26 AIO :05

SENATE
S.B. NO. 2784

RECEIVED BY: 

Introduced by Senator Maria Lourdes Nancy S. Binay

AN ACT EXEMPTING SALES OF CONSTRUCTION MATERIALS AND LEASE OF CONSTRUCTION EQUIPMENT INTENDED FOR SOCIALIZED HOUSING PROJECTS AND HOUSING OR REHABILITATION PROJECTS FOR VICTIMS OF DISASTERS, FROM VALUE-ADDED TAX; AMENDING FOR THE PURPOSE SECTION 109 OF THE NATIONAL INTERNAL REVENUE CODE

EXPLANATORY NOTE

The right to shelter is a fundamental human right.

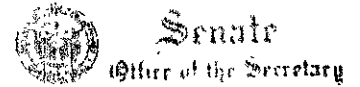
For millions of Filipinos still living in poverty the said right remains elusive to this day. It is our bounden duty as representatives of the Filipino people to eliminate all obstacles towards full implementation of programs that ensure housing for all.

By eliminating Value-Added Taxes imposed on construction materials including lease of equipment for socialized housing as well as housing projects for disaster victims; it is hoped that we are able to contribute to this objective of making available housing for all.

For the above reason, the passage of this bill is earnestly requested.

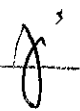
MARIA LOURDES NANCY S. BINAY
Senator

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



SENATE
S.B. NO. 2784

15 MAY 26 AIO :05

RECEIVED BY: 

Introduced by Senator Maria Lourdes Nancy S. Binay

1 AN ACT EXEMPTING SALES OF CONSTRUCTION MATERIALS AND LEASE OF
2 CONSTRUCTION EQUIPMENT INTENDED FOR SOCIALIZED HOUSING PROJECTS
3 AND HOUSING OR REHABILITATION PROJECTS FOR VICTIMS OF DISASTERS,
4 FROM VALUE-ADDED TAX; AMENDING FOR THE PURPOSE SECTION 109 OF THE
5 NATIONAL INTERNAL REVENUE CODE
6
7

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

10
11 **SECTION 1.** Section 109 of the National Internal Revenue Code is hereby amended to read
12 as follows:

13
14 **“SEC. 109. Exempt Transactions.** - The following shall be exempt from the
15 value-added tax:

16 (a) Sale of nonfood agricultural products; marine and forest products in their
17 original state by the primary producer or the owner of the land where the same are
18 produced;

19
20 X X X

21
22 (z) Sale or lease of goods or properties or the performance of services other than
23 the transactions mentioned in the preceding paragraphs, the gross annual sales
24 and/or receipts do not exceed the amount of Five hundred fifty thousand pesos
25 (P550,000); *Provided*, That not later than January 31st of the calendar year
26 subsequent to the effectivity of Republic Act No. 8241 and each calendar year
27 thereafter, the amount of Five hundred fifty thousand pesos (550,000) shall be
28 adjusted to its present value using the Consumer Price Index, as published by the
29 National Statistics Office (NSO).

30
31 (AA) SALE OF CONSTRUCTION MATERIALS OR LEASE OF
32 CONSTRUCTION EQUIPMENT USED FOR LOW-COST AND SOCIALIZED
33 HOUSING AS DEFINED UNDER REPUBLIC ACT NO. 7279, OTHERWISE
34 KNOWN AS THE URBAN DEVELOPMENT AND HOUSING ACT OF 1992
35 AND OTHER RELATED LAWS; INCLUDING HOUSING PROJECTS AND
36 PROJECTS TO REHABILITATE DAMAGE HOUSES FOR VICTIMS OF

1 DISASTERS AS DEFINED UNDER REPUBLIC ACT NO. 10121 OR
2 PHILIPPINE DISASTER RISK REDUCTION AND MANAGEMENT ACT OF
3 2010.
4

5 The foregoing exemptions to the contrary notwithstanding, any person whose sale
6 of goods or properties or services which are otherwise not subject to VAT, but
7 who issues a VAT invoice or receipt therefor shall, in addition to his liability to
8 other applicable percentage tax, if any, be liable to the tax imposed in Section 106
9 or 108 without the benefit of input tax credit, and such tax shall also be recognized
10 as input tax credit to the purchaser under Section 110, all of this Code.”
11

12 **SECTION 2. *Repealing Clause.*** All laws, decrees, executive orders, proclamations, rules
13 and regulations and other issuance of parts thereof, inconsistent with the provisions of this
14 Act are hereby repealed or modified accordingly.
15

16 **SECTION 3. *Effectivity.*** This Act shall take effect fifteen (15) days after its complete
17 publication in at least two (2) newspapers of general circulation.
18

19 Approved,