

16 JUN 30 P12:45

**SEVENTEENTH CONGRESS OF THE }  
REPUBLIC OF THE PHILIPPINES }  
First Regular Session }**

**SENATE**  
**S.B. No. 10**

---

**Introduced by SENATOR VICENTE C. SOTTO III**

---

**AN ACT  
PROVIDING TAX RELIEF TO PUBLIC SCHOOL TEACHERS  
BY EXEMPTING THEM FROM INCOME TAXATION, AMENDING FOR THE  
PURPOSE SECTIONS 22 AND 24A OF THE NATIONAL INTERNAL  
REVENUE CODE OF 1997, AS AMENDED.**

The Constitution, Article XIV, Section 5 provides:

*"The State shall assign the highest budgetary priority to education and ensure that teaching will attract and retain its rightful share of the best available talents through adequate remuneration and other means of job satisfaction and fulfillment."*

We recognize the inevitable fact that our teachers play a crucial and significant role in molding our youth to become tomorrow's great leaders, movers, productive and responsible citizens. It is within their nurturing hands that lies the future of our youth and our nation. We consider them as our "modern day heroes". Teacher's Code of Ethics states that "each teacher is viewed as a trustee of the cultural and educational heritage of the nation, and is under obligation to transmit to learners such heritage as well as to elevate national morality, promote national pride, cultivate love of country, instill allegiance to the Constitution and respect for all duly constituted authorities, promote obedience to the laws of the State". Teachers are regarded as duly licensed professionals who possess dignity and reputation with high moral values as well as technical and professional competence.

In order to show our appreciation to our teachers who selflessly, untiringly and devotedly impart their knowledge and build the character of our students, it is apt for the Government to create measures which will

promote the welfare and economic well-being of our teachers, specifically public school teachers whose salary are currently just a little higher than the minimum wage. This is in consonance with RA 4670 or the Magna Carta for Public School Teachers which aimed "to promote and improve the social and economic status of public school teachers, their living and working conditions, their terms of employment and career prospects in order that they may compare favorably with existing opportunities in other walks of life, attract and retain in the teaching profession more people with the proper qualifications, it being recognized that advance in education depends on the qualifications and ability of the teaching staff and that education is an essential factor in the economic growth of the nation as a productive investment of vital importance."

The bill seeks to exempt public school teachers, particularly Teachers I, II and III from the payment of income tax. By lifting their burden of paying the income tax, we give our hard-working and dedicated teachers what they rightfully deserve; a gift for their unconditional love and sacrifice in making the youth our country's wealth and pride.

In view of the foregoing, immediate passage of this bill IS earnestly sought.



VICENTE C. SOTTO III

16 JUN 30 12:45

SEVENTEENTH CONGRESS OF THE }  
REPUBLIC OF THE PHILIPPINES }  
First Regular Session }

RECEIVED BY: *J*

SENATE  
S.B. No. 10

Introduced by SENATOR VICENTE C. SOTTO III

AN ACT  
PROVIDING TAX RELIEF TO PUBLIC SCHOOL TEACHERS  
BY EXEMPTING THEM FROM INCOME TAXATION, AMENDING FOR  
THE PURPOSE SECTIONS 22 AND 24A 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 22 of Republic Act No. 8424, as amended,  
2 otherwise known as the National Internal Revenue Code of 1997, is hereby  
3 further amended by adding the following definition after Subsection (HH) to  
4 read as follows:  
5 "SEC. 22. *Definitions.* - when used in this Title:  
6 "(A) x x x.  
7 "~~xxx~~  
8 "(HH) x x x.  
9 **(II) THE TERMS 'TEACHER I, TEACHER II AND TEACHER III'**  
10 **SHALL REFER TO THE BASIC CLASSROOM TEACHER**  
11 **POSITIONS IN PUBLIC ELEMENTARY AND SECONDARY**  
12 **SCHOOLS AS DEFINED BY THE DEPARTMENT OF**  
13 **EDUCATION (DEPED).**  
14 **(JJ) THE TERM 'PUBLIC SCHOOL' SHALL REFER TO**  
15 **EDUCATIONAL INSTITUTIONS ESTABLISHED AND**  
16 **ADMINISTERED BY THE GOVERNMENT.**

1 SECTION 2. Section 24(A) of Republic Act No. 8424, as amended,  
2 otherwise known as the National Internal Revenue Code of 1997, is hereby  
3 further amended to read as follows:

4 "SEC. 24. *Income Tax Rates.* -

5 "(A) *Rates of Income Tax on Individual Citizen and Individual Resident*  
6 *Alien of the Philippines.* -

7 "(l)xxx:

8 "x xx; and

9 "(c) On the taxable income defined in Section 31 of this code, other  
10 than income subject to tax under Subsections (B), (C) and (D) of this  
11 Section, derived for each taxable year from all sources within the  
12 Philippines by an individual alien who is a resident of the Philippines.

13 "(2) Rates of Tax on Taxable Income of Individuals. - The tax shall be  
14 computed in accordance with and at the rates established in the  
15 following schedule:

16	"Not over P10,000	5%
17	"Over P10,000 but not over P30,000 .....	P500+ 10% of the excess over P10,000
18	"Over P30,000 but not over P70,000 .....	P2,500+ 15% of the excess over P30,000
19	"Over P70,000 but not over P140,000 .....	P8,500+20% of the excess over P70,000
20	"Over P140,000 but not over P250,000 .....	P22,500+25% of the excess over P140,000
21	"Over P250,000 but not over P500,000 .....	P50,000+30% of the excess over P250,000
22	"Over P500,000 .....	P125,000+32% of the excess over P500,000

23 "For married individuals, the husband and wife, subject to the  
24 provision of Section 51 (D) hereof, shall compute separately their  
25 individual income tax based on their respective total taxable income:  
26 *Provided*, that if any income cannot be definitely attributed to or  
27 identified as income exclusively earned or realized by either of the  
28 spouses, the same shall be divided equally between the spouses for  
29 the purpose of determining their respective taxable income.

30 "*Provided*, That minimum wage earners as defined in Section 22 (HH)  
31 of this Code **AND PUBLIC SCHOOL TEACHERS WITH RANKS**  
32 **TEACHERS I, II AND III AS DEFINED IN SECTION 22 (II) OF THIS**  
33 **CODE** shall be exempt from the payment of income tax on their

1 taxable income: *Provided, further*, That the holiday pay, overtime pay,  
2 night shift differential pay and hazard pay received by such minimum  
3 wage earners shall likewise be exempt from income tax.

4 SECTION 3. ***Separability Clause*** - If any provision of this Act is  
5 declared invalid or unconstitutional, other provisions hereof which are not  
6 affected thereby shall continue to be in full force and effect.

7 SECTION 4. ***Repealing Clause*** - Any law, presidential decree or  
8 issuance, executive order, letter of instruction, administrative order, rule or  
9 regulation contrary to or inconsistent with any provision of this Act as  
10 hereby amended or modified accordingly.

11 SECTION 5. ***Effectivity Clause*** - This Act shall take fifteen (15) days  
12 following its publication in the *Official Gazette* or in at least two (2)  
13 newspaper of general circulation.

*Approved,*