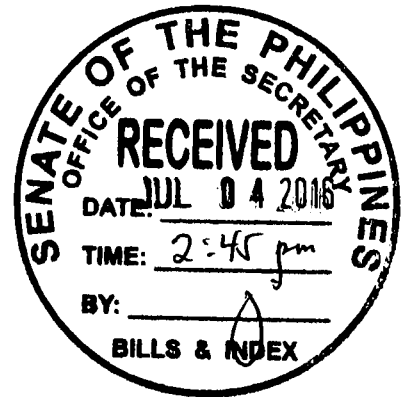


SEVENTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

SENATE
S. B. No. 359



Introduced by Senator Maria Lourdes Nancy S. Binay

AN ACT AMENDING REPUBLIC ACT 8424, OR THE NATIONAL INTERNAL
REVENUE CODE OF THE PHILIPPINES, BY GRANTING FULL DEDUCTION
FROM GROSS INCOME THE AMOUNT OF CONTRIBUTIONS MADE TO
DISASTER RELIEF, RECOVERY, AND REHABILITATION EFFORTS AND
ACTITIVITIES, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

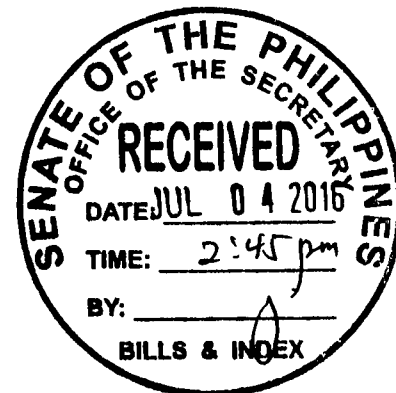
A series of natural calamities recently hit various parts of our country, which devastated the lives of many Filipinos: the 7.5 magnitude earthquake that hit Central Visayas and the super typhoon Yolanda.

In order to encourage much needed aid to victims of natural calamities, this bill proposes to grant full deduction from gross income the amount of contributions made to relief, recovery, and rehabilitation efforts of the national and local government, educational and/or charitable, religious, cultural or social welfare corporation, institution, accredited nongovernment organization, foundations, and trust or philanthropic organization.

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


MARIA LOURDES NANCY S. BINAY

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



SENATE
S. B. No. 359

Introduced by Senator Maria Lourdes Nancy S. Binay

AN ACT AMENDING REPUBLIC ACT 8424, OR THE NATIONAL INTERNAL
REVENUE CODE OF THE PHILIPPINES, BY GRANTING FULL DEDUCTION
FROM GROSS INCOME THE AMOUNT OF CONTRIBUTIONS MADE TO
DISASTER RELIEF, RECOVERY, AND REHABILITATION EFFORTS AND
ACTITIVITIES, AND FOR OTHER PURPOSES

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

SECTION 1. A new Section 34 (H) (2) (d) is hereby inserted after Section 34 (H) (2) (c) of
Republic Act No. 8424, or the National Internal Revenue Code of the Philippines, to read as
follows:

“SEC. 34. Deductions from Gross Income. - Except for taxpayers earning
compensation income arising from personal services rendered under an employer-
employee relationship where no deductions shall be allowed under this Section other
than under subsection (M) hereof, in computing taxable income subject to income tax
under Sections 24 (A); 25 (A); 26; 27 (A), (B) and (C); and 28 (A) (1), there shall be
allowed the following deductions from gross income; XXX

(H) Charitable and Other Contributions. - XXX

(2) Contributions Deductible in Full. - Notwithstanding the provisions of the
preceding subparagraph, donations to the following institutions or entities
shall be deductible in full; XXX

(D) DONATIONS FOR DISASTER RELIEF, RECOVERY, AND
REHABILITATION EFFORTS AND OTHER ACTIVITIES. -
DONATIONS TO THE GOVERNMENT OF THE PHILIPPINES OR
TO ANY OF ITS AGENCIES OR POLITICAL SUBDIVISIONS,
INCLUDING FULLY-OWNED GOVERNMENT CORPORATIONS,
EDUCATIONAL AND/OR CHARITABLE, RELIGIOUS,
CULTURAL OR SOCIAL WELFARE CORPORATION,
INSTITUTION, ACCREDITED NONGOVERNMENT
ORGANIZATION, FOUNDATIONS, AND TRUST OR
PHILANTHROPIC ORGANIZATION. EXCLUSIVELY TO
FINANCE, TO PROVIDE FOR, OR TO BE USED IN
UNDERTAKING DISASTER RELIEF, RECOVERY, AND

1 REHABILITATION EFFORTS AND OTHER ACTIVITIES
2 NECESSARY FOR, AND IN CONNECTION WITH, THE POST-
3 RECOVERY EFFORTS FOR AREAS AFFECTED BY DISASTER.
4

5 "DISASTER" MEANS A SERIOUS DISRUPTION OF THE
6 FUNCTIONING OF A COMMUNITY OR A SOCIETY
7 INVOLVING WIDESPREAD HUMAN, MATERIAL, ECONOMIC
8 OR ENVIRONMENTAL LOSSES AND IMPACTS, WHICH
9 EXCEEDS THE ABILITY OF THE AFFECTED COMMUNITY OR
10 SOCIETY TO COPE USING ITS OWN RESOURCES. DISASTERS
11 ARE OFTEN DESCRIBED AS A RESULT OF THE
12 COMBINATION OF THE FOLLOWING: EXPOSURE TO
13 HAZARDS; CONDITIONS OF VULNERABILITY THAT ARE
14 PRESENT; AND INSUFFICIENT CAPACITY OR MEASURES TO
15 REDUCE OR COPE WITH THE POTENTIAL NEGATIVE
16 CONSEQUENCES. DISASTER IMPACTS MAY INCLUDE LOSS
17 OF LIFE, INJURY, DISEASE, AND OTHER NEGATIVE EFFECTS
18 ON HUMAN, PHYSICAL, MENTAL AND SOCIAL WELL-BEING,
19 TOGETHER WITH DAMAGE TO PROPERTY, DESTRUCTION
20 OF ASSETS, LOSS OF SERVICES, SOCIAL AND ECONOMIC
21 DISRUPTION AND ENVIRONMENTAL DEGRADATION."
22

23 SECTION 2. *Implementation.* The Bureau of Internal Revenue, in consultation with all
24 relevant government agencies shall issue implementing rules and regulations within ninety
25 (90) days from effectivity hereof, and such other rules and regulations as may be necessary to
26 carry out the purpose of this Act.
27

28 SECTION 3. *Separability Clause.* If any portion or provision of this Act is declared void and
29 unconstitutional, the remaining portions or provisions hereof shall not be affected by such
30 declaration.
31

32 SECTION 4. *Repealing Clause.* All laws, decrees, orders, rules and regulations, other
33 issuances, or parts thereof inconsistent with the provisions of this Act are hereby repealed or
34 modified accordingly.
35

36 SECTION 5. *Effectivity Clause.* This Act shall take effect fifteen (15) days after its complete
37 publication in at least two (2) national newspapers of general circulation.
38

39 Approved,