



Senate  
Office of the Secretary

SEVENTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
First Regular Session

'16 JUL 20 P2:59

SENATE  
S.B. No. 653

RECEIVED BY: 

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Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

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AN ACT  
PROVIDING FOR TAX RELIEF IN TIMES OF CALAMITY

EXPLANATORY NOTE

As we faced a number of terrible natural disasters in the past years, from super-typhoons to earthquakes and flash floods, we saw the *bayanihan* spirit of every Filipino eager to give their time and resources to suffering Filipino families.

Unfortunately, with the Philippines being considered one of the most affected by the effects of climate change, we must brace ourselves for much more calamities in the years to come as well as create systems that ensure quick and efficient recovery from such disasters.

One such system that needs to be reevaluated with an eye for victims of calamities is our tax system. As such, this measure seeks to relieve our countrymen affected by terrible distress of the burden of taxes to encourage a quicker recovery.


This bill safeguards donations to victims of calamities by allowing organizations exemption from donor's tax provided that at least 90% of the donations go directly to the affected community and not administrative costs.

In addition, this bill mandates real estate tax exemption for affected communities for two years from declaration of a state of calamity.

Lastly, in support of our local entrepreneurs who provide for their families and generate jobs within their community through business, business establishments affected by a calamity shall be exempted from tax payments for a period of one year after the calamity.

This measure adds to the various initiatives of government, civil society, and the private sector to strengthen our resilience to adversity and invigorate the spirit of *bayanihan* ingrained in the collective heart of Filipinos.

In view of the foregoing, the approval of this bill is earnestly sought.

  
Senator Paolo Benigno "Bam" A. Aquino IV

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

1       **SECTION 1. Definition of Calamity.** – For purposes of this Act, "Calamity"  
2 shall be defined as a state of extreme distress or misfortune, produced by some  
3 adverse circumstance or event or any great misfortune or cause or loss or misery  
4 caused by natural forces.

5       **SEC. 2. Effect of Declaration of Calamity.** – A declaration of a state of  
6 calamity by the proper local Sanggunian shall make effective the following tax relief:

- 7           a)       Business establishments severely affected by a calamity shall be  
8                    given tax relief through exemption from tax payments for a period  
9                    of one (1) year after the calamity;  
10          b)       Real property tax in the calamity-stricken area shall not be  
11                    assessed and collected for two (2) fiscal years, starting from the  
12                    date of declaration of a state of calamity;  
13          c)       Any donation in the name of any organization that declares that  
14                    the funds donated shall be in favor of the victims of the calamity  
15                    shall be exempt from donor's tax. This exemption from the donor's  
16                    tax shall automatically apply and the Bureau of Internal Revenue  
17                    (BIR) shall not require any accreditation requirements: *Provided,*  
18                    That not more than ten percent (10%) of the said gifts shall be used  
19                    by the donee organization for administration purposes.

20       **SEC. 3. Separability Clause.** – Should any provision herein be declared  
21 unconstitutional, the same shall not affect the validity of the other provisions of this  
22 Act.

23       **SEC. 4. Repealing Clause.** – All laws, decrees, orders, rules, and regulations or  
24 other issuances or parts inconsistent with the provisions of this Act are hereby  
25 repealed or modified accordingly.

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

4           *Approved,*