

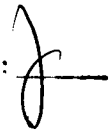


Senate
Office of the Secretary

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

'16 JUL 20 P 3:00

SENATE
S.B. No. 654

REGISTERED BY: 

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

AN ACT
EXEMPTING FROM TAXES ALL DONATIONS, GRANTS OR GIFTS TO NON-STOCK AND
NON-PROFIT EDUCATIONAL INSTITUTIONS

EXPLANATORY NOTE

The quest to improve the quality of education and improve the facilities of our schools and institutions is a collective effort that draws like-minded advocates from government, civil society, and the private sector.

In many cases, the non-government sector is enthusiastic to assist the development of education in the Philippines with the hope that the next generation of well-educated Filipinos hold the key to leveling up the country and finally putting an end to longstanding issues that have plagued our nation, such as hunger, poverty, public transport, and even the patronage system that is entrenched in our culture.

It is our responsibility to encourage this enthusiasm and incentivize donations to non-stock and non-profit educational institutions in order to further our cause for improved education and educational facilities across the country.

While non-stock and non-profit educational institutions benefit from tax exemptions, donors aren't granted similar incentives. This measure extends tax exemptions to donors, mandating that all contributions to non-stock and non-profit educational institutions be tax-exempt and deductible from their taxable income.

Through this bill, citizens with a heart for education can opt to donate hard-earned money, property, or other assets to the cause of education in lieu of contributing tax payments to the State.

Let's embolden Filipinos to take a more active role in nation-building and have a choice in who benefits from their contributions. Together, all sectors of society can further the cause of quality education in the Philippines and produce intelligent, skillful, and conscientious young 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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Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

1 **SECTION 1. Declaration of Policy.** – It is the policy of the State to encourage
2 the participation of every member of the society towards the development of our
3 education through voluntary sharing of resources.

4 **SEC. 2. Tax Exemption.** – All contributions and the equivalent monetary value
5 of properties donated, granted or bestowed to non-stock and non-profit institutions
6 are tax-exempt and deductible from the taxable income of the donor; *Provided,* That
7 such donations, grants, endowments or contributions shall be used actually, directly
8 and exclusively for the primary educational purposes of the recipient; *Provided,*
9 Further that not more than twenty-five percent (25%) of the donations, grants,
10 endowments or contributions shall be used for administrative purposes.

11 **SEC. 3. Valuation.** – For purposes of this Act, the equivalent monetary value
12 of properties donated, granted, endowed or contributed shall be the prevailing fair
13 market value of the property as determined by the Secretary of Finance and
14 approved by the Bureau of Internal Revenue.

15 **SEC. 4. Separability Clause.** - Should any provision herein be declared
16 unconstitutional, the same shall not affect the validity of the other provisions of this
17 Act.

18 **SEC. 5. Repealing Clause.** - All laws, decrees, orders, rules, and regulations or
19 other issuances or parts inconsistent with the provisions of this Act are hereby
20 repealed or modified accordingly.

1 **SEC. 9. 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,*