


SEVENTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
FIRST REGULAR SESSION )



Senate  
Office of the Secretary

'16 JUL 26 A9:57

SENATE

RECEIVED BY: 

SENATE BILL NO. 901

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INTRODUCED BY SENATOR JOSEPH VICTOR G. EJERCITO

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AN ACT  
EXEMPTING FROM TAX ALL ALLOWANCES AND BENEFITS GRANTED TO  
PUBLIC SCHOOL TEACHERS, INCLUDING THOSE IN THE STATE  
COLLEGES AND UNIVERSITIES

EXPLANATORY NOTE

Teachers make a lasting impact to the lives of their student. They are the one who encourages us to strive for excellence. Despite their importance, we seldom give them recognition, more so, monetary rewards. On the contrary, in terms of salary and benefits, they have one of the lowest compared to other profession.

At present, there is a great demand now for public school teachers in the rural areas. However, the difficulties of life in the rural areas, such as in transportation, lodging or insurgency problem, to mention only a few, have discouraged teachers to be employed there.

Thus, it is the sincere belief of the undersigned that with this privilege of tax exemption on salary, more new teachers will be encouraged to accept teaching jobs in remote areas, where usually vacancy of temporary nature exists. This is because public school teachers in this category either will get an equal take home pay or a regular public school teacher may even get more than due to the savings they get from being tax exempt.

This bill will also encourage teachers to opt to stay in the public school system to enhance the teaching-learning process. It cannot be ignored that the tax exemption on the income of teachers will result in extra money for them to spare for their other needs.

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

A handwritten signature in black ink, appearing to read 'JV Ejercito', with a horizontal line extending to the left.

JOSEPH VICTOR G. EJERCITO

SEVENTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
FIRST REGULAR SESSION )



Senate  
Office of the Secretary

16 JUL 26 1959

SENATE

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SENATE BILL NO. 901

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AN ACT  
EXEMPTING FROM TAX ALL ALLOWANCES AND BENEFITS GRANTED TO  
PUBLIC SCHOOL TEACHERS, INCLUDING THOSE IN THE STATE  
COLLEGES AND UNIVERSITIES

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

1        **SECTION 1. *Short Title.*** - This Act shall be referred to as "*The Public School*  
2 *Teachers' Tax Incentive Act of 2016*".  
3

4        **SEC. 2. *Statement of Policy.*** - It is hereby declared the policy of the State to  
5 assign the highest budgetary priority to education and ensure that teaching will  
6 attract and retain its rightful share of the best available talents through adequate  
7 remuneration and other means of job satisfaction and fulfillment.  
8

9        It is further declared a policy and commitment of the State to promote and  
10 improve the economic status of all public school teachers, including those in State  
11 colleges and universities by increasing their take home pay through exemption from  
12 tax all allowances and benefits granted to them.  
13

14        **SEC. 3. *Exclusions from Gross Income.*** - All allowances and benefits granted  
15 to public school teachers, including those in the State colleges and universities at all  
16 levels, shall not be included in the computation of gross income and shall be exempt  
17 from taxation under Title III, Chapter VI of Republic Act No. 8424, otherwise known  
18 as the "Tax Reform Act of 1997".  
19

20        **SEC. 4. *Exemption from Attachment, Levy, and Execution.*** - All benefits and  
21 allowances referred to herein shall likewise not be subject to attachment, levy, and  
22 execution.  
23

1        **SEC. 5. *Rules and Regulations.*** - The Commissioner of the Bureau of Internal  
2 Revenue is hereby authorized to promulgate such rules and regulations as may be  
3 necessary to implement the provisions of this Act.  
4

5        **SEC. 6. *Repealing Clause.*** - All laws, decrees, executive orders, letters of  
6 instruction, letters of instruction, letters of implementation, rules and regulations,  
7 and other issuances inconsistent with any provision of this Act are hereby repealed,  
8 modified, superseded or amended accordingly.  
9

10  
11        **SEC. 7. *Separability Clause.*** - If any provision of this Act of the application of  
12 such provision to any person or circumstance is held invalid for any reason, the  
13 remainder of this Act *or* the application of such provision *to* other persons or  
14 circumstances shall not be affected thereby.  
15

16        **SEC. 8. *Effectivity.*** - This Act shall take effect fifteen (15) days after its  
17 complete publication in any two (2) newspapers of general circulation.  
18  
19

20        *Approved,*