



HOUSE OF REPRESENTATIVES

H. No. 4903

BY REPRESENTATIVES MANALO, BARBERS, CUA, CALDERON, NOEL,
MARCOLETA, SAVELLANO, BATAOIL, ALVAREZ (P.) AND FARIÑAS,
PER COMMITTEE REPORT NO. 75

AN ACT SIMPLIFYING THE DONOR'S TAX RATE, AMENDING FOR
THE PURPOSE SECTION 99 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 99 of the National Internal Revenue Code of 1997,
2 as amended, is hereby further amended to read as follows:
3 "SEC. 99. *Rates of Tax Payable by Donor.* –
4 "(A) *In General.* – The tax for each calendar year
5 SHALL BE SIX PERCENT (6%) AND shall be computed on the
6 basis of the total net gifts made during the calendar year: [in
7 accordance with the following schedule:]**PROVIDED, THAT**
8 **ANNUAL NET GIFTS NOT EXCEEDING P100,000 SHALL BE**
9 **EXEMPT.**

1. [If the net gift is:

2	Over	But Not Over	The Tax	Plus	Of the Excess
3			Shall Be		Over
4		P100,000	Exempt		
5	P100,000	P200,000	0	2%	P100,000
6	200,000	500,000	2,000	4%	200,000
7	500,000	1,000,000	14,000	6%	500,000
8	1,000,000	3,000,000	44,000	8%	1,000,000
9	3,000,000	5,000,000	204,000	10%	3,000,000
10	5,000,000	10,000,000	404,000	12%	5,000,000
11	10,000,000		1,004,000	15%	10,000,000]

12 “(B) *Tax Payable by Donor if Donee is a Stranger.* –
 13 When the donee or beneficiary is a stranger, the tax payable by
 14 the donor shall be [thirty percent (30%)] **SIX PERCENT (6%)** of
 15 the net gifts. For the purpose of this tax, a ‘stranger’ is a person
 16 who is not a:

17 “(1) Brother, sister (whether by whole or half-blood),
 18 spouse, ancestor and lineal descendant; or

19 “(2) Relative by consanguinity in the collateral line
 20 within the fourth degree of relationship.

21 “X X X.”

22 SEC. 2. *Implementing Rules and Regulations.* – Within thirty (30)
 23 days upon the effectivity of this Act, the Secretary of Finance shall, upon
 24 recommendation of the Commissioner of Internal Revenue, promulgate the
 25 necessary rules and regulations for its effective implementation.

26 SEC. 3. *Separability Clause.* – If any provision of this Act is
 27 subsequently declared invalid or unconstitutional, other provisions hereof
 28 which are not affected thereby shall remain in full force and effect.
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1 SEC. 4. *Repealing Clause.* – All laws, acts, presidential decrees,
2 executive orders, issuances, presidential proclamations, rules and regulations
3 or parts thereof which are contrary to or inconsistent with any provision of this
4 Act are hereby repealed, amended or modified accordingly.

5 SEC. 5. *Effectivity.* – This Act shall take effect fifteen (15) days after
6 its complete publication in the *Official Gazette* or in two (2) newspapers of
7 general circulation.

Approved,

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