

SENATE

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COMMITTEE REPORT No. 539

Submitted by the Committee on Ways and Means DEC - 4 2018 RECEIVED BY: 

Re: Senate Bill No. 2127

Recommending its approval in substitution of Senate Bill Nos. 958 taking into consideration House Bill No. 3297.

Sponsor: Sen. Sonny Angara

**MR. PRESIDENT:**

The Committee on Ways and Means to which were referred Senate Bill No. 958, introduced by Senator Sonny Angara, entitled:

**AN ACT**  
**TO STRENGTHEN THE COUNTRY'S GROSS INTERNATIONAL RESERVES (GIR) AMENDING FOR THE PURPOSE SECTIONS 32 AND 151 OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED, AND FOR OTHER PURPOSES**

and House Bill 3297, introduced by Representatives Escudero, Cosalan, *et al.*, entitled:

**AN ACT**  
**TO STRENGTHEN THE COUNTRY'S GROSS INTERNATIONAL RESERVES (GIR) AMENDING FOR THE PURPOSE SECTIONS 32 AND 151 OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED, AND FOR OTHER PURPOSES**

has considered the same and has the honor to report these back to the Senate with the recommendation that the attached bill, Senate Bill No. 2127, prepared by the Committee, entitled:

**AN ACT**  
**TO STRENGTHEN THE COUNTRY'S GROSS INTERNATIONAL RESERVES (GIR) AMENDING FOR THE PURPOSE SECTIONS 32 AND 151 OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED, AND FOR OTHER PURPOSES**

be approved in substitution of Senate Bill Nos. 958 taking into consideration House Bill No. 3297 with Senator Sonny Angara as author.

Respectfully Submitted:



**SONNY ANGARA**  
Chairperson

Vice-Chairpersons

**LOREN B. LEGARDA**



**JOEL VILLANUEVA**

**PAOLO BENIGNO "BAM" AQUINO IV**

Members



**RICHARD J. GORDON**



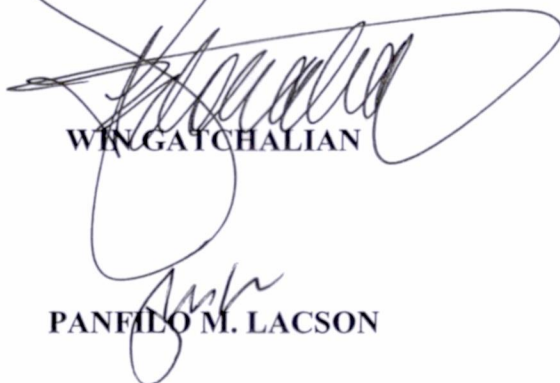
**GRACE POE**



**JOSEPH VICTOR G. EJERCITO**



**MARIA LOURDES NANCY S. BINAY**



**WIN GATCHALIAN**



**FRANCIS "CHIZ" G. ESCUDERO**

**PANFILO M. LACSON**

**ANTONIO TRILLANES IV**

**FRANCIS "KIKO" PANGILINAN**

**RISA HONTIVEROS**

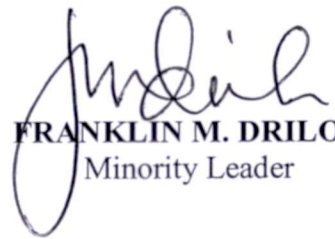


**AQUILINO "KOKO" PIMENTEL III**

Ex-Officio Members



**JUAN MIGUEL "MIGZ" F. ZUBIRI**  
Majority Leader



**FRANKLIN M. DRILON**  
Minority Leader

**RALPH G. RECTO**  
Senate President Pro-Tempore

**VICENTE C. SOTTO III**  
*President*  
Senate of the Philippines  
Pasay City

SENATE

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S. No. 2127

(In Substitution of S.B. No. 958 taking into consideration H.B. No. 3297)

Prepared by the Committee on Ways and Means with  
Senator Sonny Angara as author

AN ACT  
TO STRENGTHEN THE COUNTRY'S GROSS INTERNATIONAL RESERVES  
(GIR), AMENDING FOR THE PURPOSE SECTIONS 32 AND 151 OF THE  
NATIONAL INTERNAL REVENUE CODE, AS AMENDED, AND FOR OTHER  
PURPOSES

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

1 SECTION 1. *Amendment of Section 32 of the National Internal Revenue Code,*  
2 *As Amended.* - Section 32(B)(7) of the National Internal Revenue Code of 1997, as  
3 amended, is hereby further amended to read as follows:

4 "SECTION 32. *Gross Income.* -

5 "x x x

6 "(B) *Exclusions from Gross Income.* - The following items shall not be included  
7 in gross income and shall be exempt from taxation under this Title:

8 "x x x

9 "(7) *Miscellaneous Items.* -

10 "x x x

11 "(I) *INCOME DERIVED FROM THE SALE OF GOLD PURSUANT TO*  
12 *REPUBLIC ACT NO. 7076.* - *INCOME DERIVED FROM THE FOLLOWING*  
13 *TRANSACTIONS PURSUANT TO R.A. NO. 7076, OTHERWISE KNOWN AS*  
14 *THE "PEOPLE'S SMALL-SCALE MINING ACT OF 1991":*

1 (1) THE SALE OF GOLD TO THE BANGKO SENTRAL NG PILIPINAS BY  
2 REGISTERED SMALL-SCALE MINERS, AS DEFINED UNDER R.A. NO.  
3 7076, AND ACCREDITED TRADERS; AND

4 (2) THE SALE OF GOLD BY REGISTERED SMALL-SCALE MINERS TO  
5 ACCREDITED TRADERS FOR EVENTUAL SALE TO THE BANGKO  
6 SENTRAL NG PILIPINAS.

7 **SEC. 2. *Amendment of Section 151 of the National Internal Revenue Code, As***  
8 ***Amended.*** - Section 151 of the National Internal Revenue Code of 1997, as amended, is  
9 hereby further amended to read as follows:

10 "SEC. 151. *Mineral Products.* -

11 "x x x

12 "(C) NOTWITHSTANDING THE FOREGOING, GOLD WHICH IS SOLD, OR  
13 EVENTUALLY SOLD, TO THE BANGKO SENTRAL NG PILIPINAS, IN  
14 ACCORDANCE WITH SECTION 32(B)(7)(i), SHALL BE EXEMPT FROM THE  
15 PAYMENT OF EXCISE TAX: *PROVIDED, HOWEVER,* THAT IF EXCISE TAX DUE  
16 THEREON HAD BEEN PAID PRIOR TO THE SALE OF GOLD TO THE BANGKO  
17 SENTRAL NG PILIPINAS, THE TAXPAYER MAY FILE A CLAIM FOR REFUND OR  
18 CREDIT WITH THE COMMISSIONER FOR THE EXCISE TAX PAID."

19 **SEC. 3. *Tax Incentives and Privileges of Small-Scale Miners.*** - In addition to the  
20 foregoing, and notwithstanding the existing provisions of Republic Act No. 6938, as  
21 amended, and other applicable laws, the sale of gold by registered small-scale miners,  
22 as defined under R.A. No. 7076, to accredited traders for eventual sale to the Bangko  
23 Sentral ng Pilipinas shall enjoy the same tax treatment and privileges given to the direct  
24 sale of gold to the Bangko Sentral ng Pilipinas under the Tax Code.

25 **SEC. 4. *Presumption on the Source of Gold.*** - All gold sold to the Bangko  
26 Sentral ng Pilipinas by accredited traders shall be presumed to have been purchased by  
27 said traders from small-scale miners.

1           **SEC. 5. *Implementing Rules and Regulations.*** - Within sixty (60) days after the  
2           effectivity of this Act, the Governor of the Bangko Sentral ng Pilipinas, the Secretary of  
3           Environment and Natural Resources, the Secretary of the Interior and Local  
4           Government and the Commissioner of Internal Revenue shall recommend to the  
5           Secretary of Finance, for promulgation, the rules and regulations necessary for the  
6           effective implementation of this Act. The rules and regulations shall include provisions  
7           for the registration and accreditation requirements of small-scale miners and traders in  
8           order to avail of the tax exemptions under this Act.

9           **SEC. 6. *Repealing Clause.*** - All laws, executive/administrative orders, rules,  
10          regulations and other issuances or parts thereof, which are inconsistent with the  
11          provisions of this Act, are hereby revoked, repealed or modified accordingly.

12          **SEC. 7. *Separability Clause.*** - Should any provision herein be declared  
13          unconstitutional, the same shall not affect the validity of the other provisions of this  
14          Act.

15          **SEC. 7. *Effectivity.*** - This Act shall take effect fifteen (15) days after its  
16          publication in the *Official Gazette* or in a newspaper of general circulation.

17          Approved,