

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



SENATE

'19 JUL -1 P2:16

S. No. 76

RECEIVED

Introduced by SENATOR RAMON BONG REVILLA, JR.

**AN ACT
EXEMPTING DRUGS AND MEDICINES PRESCRIBED FOR MENTAL HEALTH
CONDITIONS FROM VALUE-ADDED TAX, AMENDING FOR THE PURPOSE
SECTION 109 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS
AMENDED**

EXPLANATORY NOTE

In 2018, Republic Act No. 11036 also known as the Mental Health Act was signed into law, recognizing mental health as a real problem that threatens the well-being of many in our nation. The passage of this law made mental health services accessible, however, it did not cover the cost of drugs and medicines prescribed to sustain the treatment and prevention of mental health conditions.

According to the Philippine Statistics Authority (PSA), mental illness and mental retardation are the third (3rd) and fourth (4th) most common disabilities in the country today. Further, a study conducted by the Department of Health (DOH) showed that among government employees in Metro Manila, 32% of the 327 respondents have experienced mental health problems in their lifetime.

The primary objective of this Act is to lower the cost of drugs and medicine prescribed for mental health by exempting it from value-added tax. This bill aims to make mental healthcare accessible and sustainable for all.

The passage of this bill into law is earnestly sought.


RAMON BONG REVILLA, JR.

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Senate
Office of the Secretary

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

1 Section 1. Section 109 of the National Internal Revenue Code of 1997, as
2 amended, is further amended to read as follows:

3
4 "SEC. 109. Exempt Transactions. ---

5
6 (1) Subject to provisions of Subsection (2) hereof, the following transactions
7 shall be exempt from the value-added tax:

8
9 X X X X X

10
11 (AA) Sale of drugs and medicines prescribed for diabetes, high cholesterol,
12 and hypertension beginning January 1, 2019; [and]

13
14 (BB) Sale or lease of goods or properties or the performance of services other
15 than the transactions mentioned in the preceding paragraphs, the gross
16 annual sales and/or receipts do not exceed the amount of Three Million Pesos
17 (P3,000,000.00) **AND**

1
2 **(CC) SALE OF DRUGS AND MEDICINES PRESCRIBED FOR MENTAL**
3 **HEALTH CONDITIONS BEGINNING JANUARY 1, 2020.**
4

5 X X X X X
6

7 *Sec. 2. Implementing Rules and Regulations.* – Within thirty (30) days from
8 the effectivity of this Act, the Secretary of Finance shall, upon the recommendation
9 of the Commissioner of Internal Revenue, promulgate the rules and regulations
10 necessary for its effective implementation.

11 *Sec. 3. Repealing Clause.* – All laws, rules and regulations, or parts thereof
12 that are inconsistent with this Act are hereby repealed, amended, or modified
13 accordingly.

14 *Sec. 4. Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
15 publication in two (2) newspapers of general circulation.
16

17 Approved,