

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



Senate
Office of the Secretary

'19 JUL -8 P12:01

SENATE
S.B. No. 241

RECEIVED BY: _____

Introduced by SENATOR VICENTE C. SOTTO III

AN ACT
PROVIDING TAX RELIEF TO PUBLIC SCHOOL TEACHERS
BY EXEMPTING THEM FROM INCOME TAXATION, AMENDING FOR THE
PURPOSE SECTIONS 22 AND 24A OF THE NATIONAL INTERNAL
REVENUE CODE OF 1997, AS AMENDED

EXPLANATORY NOTE

The Constitution, Article XIV, Section 5 provides:

"The State shall assign the highest budgetary priority to education and ensure that teaching will attract and retain its rightful share of the best available talents through adequate remuneration and other means of job satisfaction and fulfillment."

We recognize the inevitable fact that our teachers play a crucial and significant role in molding our youth to become tomorrow's great leaders, movers, productive and responsible citizens. It is within their nurturing hands that lies the future of our youth and our nation. We consider them as our "modern day heroes". Teacher's Code of Ethics states that "each teacher is viewed as a trustee of the cultural and educational heritage of the nation, and is under obligation to transmit to learners such heritage as well as to elevate national morality, promote national pride, cultivate love of country, instill allegiance to the Constitution and respect for all duly constituted authorities, promote obedience to the laws of the State". Teachers are regarded as duly licensed professionals who possess dignity and reputation with high moral values as well as technical and professional competence.

In order to show our appreciation to our teachers who selflessly, untiringly and devotedly impart their knowledge and build the character of our students, it is apt for the Government to create measures which will promote the welfare and economic well-being of our teachers, specifically public school teachers whose salary are currently just a little higher than the minimum wage. This is in consonance with RA 4670 or the Magna Carta for Public School Teachers which aimed "to promote and improve the social and economic status of public school teachers, their living and working conditions, their terms of employment and career prospects in order that they may compare favorably with existing opportunities in other walks of life, attract and retain in the teaching profession more people with the proper qualifications, it being recognized that advance in education depends on the qualifications and ability of the teaching staff and that education is an essential factor in the economic growth of the nation as a productive investment of vital importance."

The bill seeks to exempt public school teachers, particularly Teachers I, II and III from the payment of income tax. By lifting their burden of paying the income tax, we give our hard-working and dedicated teachers what they rightfully deserve; a gift for their unconditional love and sacrifice in making the youth our country's wealth and pride.

In view of the foregoing, immediate passage of this bill IS earnestly sought.


VICENTE C. SOTTO III



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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 22 of Republic Act No. 8424, as amended,
2 otherwise known as the National Internal Revenue Code of 1997, is hereby
3 further amended by adding the following definition after Subsection (HH) to
4 read as follows:

5 "SEC. 22. *Definitions.* - when used in this Title:

6 "(A) x x x.

7 "~~xxx~~

8 "(HH) x x x.

9 **(II) THE TERMS 'TEACHER I, TEACHER II AND TEACHER III'**
10 **SHALL REFER TO THE BASIC CLASSROOM TEACHER**
11 **POSITIONS IN PUBLIC ELEMENTARY AND SECONDARY**
12 **SCHOOLS AS DEFINED BY THE DEPARTMENT OF EDUCATION**
13 **(DEPED).**

14 **(JJ) THE TERM 'PUBLIC SCHOOL' SHALL REFER TO**
15 **EDUCATIONAL INSTITUTIONS ESTABLISHED AND**
16 **ADMINISTERED BY THE GOVERNMENT.**

17 SECTION 2. Section 24(A) of Republic Act No. 8424, as amended,
18 otherwise known as the National Internal Revenue Code of 1997, is hereby
19 further amended to read as follows:

20 "SEC. 24. *Income Tax Rates.* -

1 "(A) *Rates of Income Tax on Individual Citizen and Individual Resident*
2 *Alien of the Philippines.* -

3 "(1)xxx:

4
5 "(2) xxx

6 "*Provided*, That minimum wage earners as defined in Section 22 (HH)
7 of this Code **AND PUBLIC SCHOOL TEACHERS WITH RANKS**
8 **TEACHERS I, II AND III AS DEFINED IN SECTION 22 (II) OF THIS**
9 **CODE** shall be exempt from the payment of income tax on their
10 taxable income: *Provided, further*, That the holiday pay, overtime pay,
11 night shift differential pay and hazard pay received by such minimum
12 wage earners shall likewise be exempt from income tax.

13 SECTION 3. ***Separability Clause*** - If any provision of this Act is
14 declared invalid or unconstitutional, other provisions hereof which are not
15 affected thereby shall continue to be in full force and effect.

16 SECTION 4. ***Repealing Clause*** - Any law, presidential decree or
17 issuance, executive order, letter of instruction, administrative order, rule or
18 regulation contrary to or inconsistent with any provision of this Act as
19 hereby amended or modified accordingly.

20 SECTION 5. ***Effectivity Clause*** - This Act shall take fifteen (15) days
21 following its publication in the *Official Gazette* or in at least two (2)
22 newspaper of general circulation.

Approved,