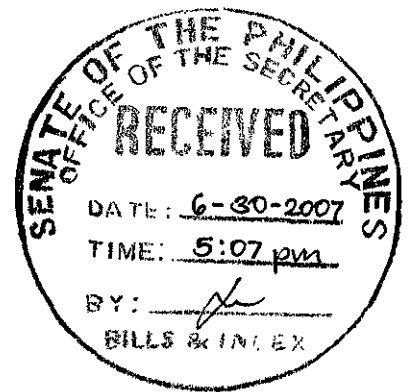


FOURTEENTH CONGRESS OF THE REPUBLIC)  
OF THE PHILIPPINES )  
First Regular Session )



SENATE  
S. No. 285

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Introduced by **Senator Richard J. Gordon**

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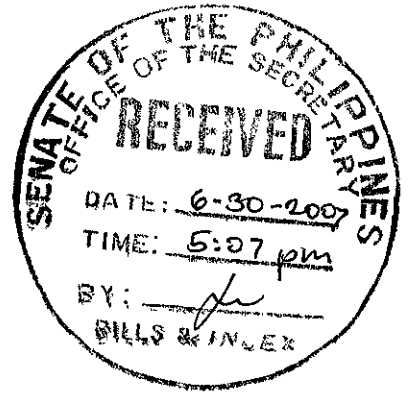
### EXPLANATORY NOTE

Medical expenses before death often reach exorbitant amounts. In the computation of the net estate for the payment of the estate tax, deductible medical bills are only allowed up to Five Hundred Thousand Pesos (P500,000.00). This needs to be rationalized to reflect the realistic costs of present medical services. Thus, this bill proposes to increase the maximum allowable deductible medical expenses in the computation of the net estate for the payment of the estate tax from Five Hundred Thousand Pesos (P500,000.00) to One Million Five Hundred Thousand Pesos (P1,500,000.00).



**RICHARD J. GORDON**  
Senator *RJG*

FOURTEENTH CONGRESS OF THE REPUBLIC)  
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**AN ACT AMENDING SECTION 86 (A) (6) OF REPUBLIC ACT NO. 8424, AS AMENDED,  
OTHERWISE KNOWN AS THE NATIONAL INTERNAL REVENUE CODE OF 1997**

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

1           **SECTION 1.** Section 86 (A) (6) of Republic Act No. 8424, as amended, otherwise  
2 known as the National Internal Revenue Code of 1997, is hereby amended to read as  
3 follows:

4                   “(6) *Medical Expenses.* – Medical expenses incurred by the decedent  
5 within one (1) year prior to his death which shall be duly substantiated with  
6 receipts: Provided, That in no case shall the deductible medical expenses  
7 exceed [Five Hundred Thousand Pesos (P500,000.00)] ONE MILLION FIVE  
8 HUNDRED THOUSAND PESOS (P1,500,000.00).”

9           **Sec. 2. Repealing Clause.** – All laws, decrees, orders, rules and regulations or  
10 other issuances or parts thereof inconsistent with the provisions of this Act are hereby  
11 repealed and modified accordingly.

12           **Sec. 3. Effectivity.** – This Act shall take effect fifteen (15) days following the  
13 completion of its publication either in the Official Gazette or in a newspaper of general  
14 circulation in the Philippines.

15           Approved,