


FIFTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
*First Regular Session*

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OFFICE OF THE SECRETARY

10 JUL -7 2012

SENATE

Senate Bill No. 483

RECEIVED BY 

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INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

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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 (PhP500,000.00). 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 (PhP500,000.00) to One Million Five Hundred Thousand Pesos (PhP1,500,000.00).

In view of the foregoing, early passage of this bill is earnestly requested.

  
JINGGOY EJERCITO ESTRADA  
Senator

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13 JUL -7 A3 12

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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:*

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

"(6) *Medical Expenses.* – Medical expenses incurred by the decedent within one (1) year prior to his death which shall be duly substantiated with receipts: Provided, That in no case shall the deductible medical expenses exceed [Five Hundred Thousand Pesos (PhP500,000.00)] ONE MILLION FIVE HUNDRED THOUSAND PESOS (PhP1, 500,000.00)."

**SEC. 2. Repealing Clause.** – All laws, presidential decrees, executive orders, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

**SEC. 3. Effectivity** - This Act shall take effect fifteen (15) days following the completion of its publication in the Official Gazette or in newspaper of General or in newspaper of general circulation in the Philippines.

*Approved,*