

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

Twentieth Congress  
First Regular Session

HOUSE BILL NO. 51



---

Introduced by Representative RAYMOND ADRIAN SALCEDA

---

**AN ACT  
EXCLUDING NON-COMMERCIAL DOCUMENTS FROM THE IMPOSITION OF  
DOCUMENTARY STAMP TAX, AMENDING SECTIONS 173, 185, 189, 190, 191,  
193, AND 196 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS  
AMENDED**

**EXPLANATORY NOTE**

The documentary stamp tax (DST) is a transaction-based tax levied on documents that record or give effect to certain legal or commercial acts. While originally intended to serve as a revenue-generating mechanism targeting financial and property transactions, the DST in its current form often imposes burdens on administrative and non-commercial acts that neither involve consideration nor produce commercial gain.

This bill seeks to amend Sections 173, 185, 189, 190, 191, 193, and 196 of the National Internal Revenue Code of 1997, as amended, to exempt non-commercial documents from DST. These include:

- Academic and educational certificates such as diplomas and transcripts;
- Civil status documents such as birth, marriage, and death certificates;
- Clearances for employment or personal use, such as police and NBI clearances;
- Proxies and powers of attorney executed for personal or religious purposes;
- Deeds of donation or familial land transfers without pecuniary consideration; and
- Other instruments issued for compliance or identification purposes, rather than to record financial transactions.

The current catch-all imposition under Section 185, as well as vague coverage in Sections 189, 190, 191, 193, and 196, often results in DST being levied on individuals in purely personal or documentary situations. For example, students are charged DST on diplomas; families on deeds of donation; and job applicants on clearances—all without these transactions involving financial consideration or commerce. This violates the principle that the DST should be a tax on commercial instruments, not life events or routine administrative compliance.

According to the Bureau of Internal Revenue (BIR) Annual Report for 2022, total DST collections amounted to ₱116.3 billion. Over 97% of this amount was derived from financial instruments such as debt securities, share issuances, bank checks, insurance policies, and real estate transfers. The remaining 3%, or approximately ₱3.5 billion, came from residual or miscellaneous documents, including certificates, powers of attorney, proxies, and other administrative documents.

However, this bill only exempts non-commercial documents—meaning the actual revenue impact is far smaller. Based on policy simulation and historical patterns, the revenue foregone would likely fall within the range of ₱500 million to ₱800 million annually.

This bill therefore:

- Preserves the fiscal integrity of the DST system by maintaining all taxes on commercial and financial documents;
- Protects taxpayers from regressive levies on personal and administrative acts;
- Simplifies DST administration by narrowing the scope to documents with clear monetary consideration; and
- Reinforces the DST's original intent as a tax on economic transactions—not personal events.

In view of the foregoing, the immediate approval of this measure is earnestly sought.



RAYMOND ADRIAN SALCEDA

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

Twentieth Congress  
First Regular Session

HOUSE BILL NO. 51

---

Introduced by Representative RAYMOND ADRIAN SALCEDA

---

**AN ACT  
EXCLUDING NON-COMMERCIAL DOCUMENTS FROM THE IMPOSITION OF  
DOCUMENTARY STAMP TAX, AMENDING SECTIONS 173, 185, 189, 190, 191,  
193, AND 196 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS  
AMENDED**

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

SECTION 1. Section 173 of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:

SEC. 173. *Stamp Tax Upon Documents, Instruments, Loan Agreements and Papers.* – There shall be levied, collected and paid for every document, instrument, loan agreement, and paper specified in Sections 174 to 196 hereof, a documentary stamp tax as imposed in the said sections:

**PROVIDED, THAT NO DOCUMENTARY STAMP TAX SHALL BE IMPOSED UNDER THIS TITLE ON DOCUMENTS, INSTRUMENTS, OR PAPERS THAT DO NOT EVIDENCE, RECORD, OR EFFECT A COMMERCIAL OR FINANCIAL TRANSACTION.**

SEC. 2. Section 185 of the same Code is hereby further amended to read as follows:

SEC. 185. *Stamp Tax on Certificates.* – On each certificate of damage or otherwise, and on every other certificate or document issued by any customs officer, marine surveyor, or other person acting as such, and on each certificate of any description required by law or by rules or regulations of a public office, or which is issued for the purpose of giving information, or establishing proof of a fact, and not otherwise specified

herein, there shall be collected a documentary stamp tax of Fifteen pesos (₱15.00):

**PROVIDED, THAT THIS SECTION SHALL NOT APPLY TO CERTIFICATES ISSUED SOLELY FOR ACADEMIC, EDUCATIONAL, OR PERSONAL IDENTIFICATION PURPOSES, INCLUDING BUT NOT LIMITED TO DIPLOMAS, TRANSCRIPTS OF RECORDS, CERTIFICATES OF GRADUATION, BIRTH CERTIFICATES, MARRIAGE CERTIFICATES, DEATH CERTIFICATES, POLICE CLEARANCES, AND NBI CLEARANCES, AND OTHER DOCUMENTS NOT CONNECTED TO A COMMERCIAL OR FINANCIAL TRANSACTION.**

SEC. 3. Section 189 of the same Code is hereby further amended to read as follows:

SEC. 189. *Stamp Tax on Proxies.* – On each proxy for voting at any election for officers of any company or association, or for any other purpose, there shall be collected a documentary stamp tax of Fifteen pesos (₱15.00):

**PROVIDED, THAT THIS SECTION SHALL NOT APPLY TO PROXIES THAT DO NOT CONFER OR EFFECT CONTROL OVER COMMERCIAL, FINANCIAL, OR CORPORATE INTERESTS.**

SEC. 4. Section 190 of the same Code is hereby further amended to read as follows:

SEC. 190. *Stamp Tax on Powers of Attorney.* – On each power of attorney to perform any act or do anything on behalf of the principal, there shall be collected a documentary stamp tax of Five pesos (₱5.00):

**PROVIDED, THAT THIS SECTION SHALL NOT APPLY TO POWERS OF ATTORNEY EXECUTED SOLELY FOR PERSONAL, MEDICAL, RELIGIOUS, OR FAMILY MATTERS NOT INVOLVING A COMMERCIAL OR FINANCIAL TRANSACTION.**

SEC. 5. Section 191 of the same Code is hereby further amended to read as follows:

SEC. 191. *Stamp Tax on Leases and Other Hiring Agreements.* – On each lease, agreement, memorandum, or contract for hire, use, or rent of any land or tenement, or portion thereof, there shall be collected a documentary stamp tax based on the rental amount:

**PROVIDED, THAT THIS SECTION SHALL NOT APPLY TO LEASE AGREEMENTS ENTERED INTO EXCLUSIVELY FOR CHARITABLE, RELIGIOUS, OR PERSONAL NON-COMMERCIAL PURPOSES WITHOUT MONETARY CONSIDERATION.**

SEC. 6. Section 193 of the same Code is hereby further amended to read as follows:

**SEC. 193. *Stamp Tax on Deeds of Sale and Conveyances of Real Property.*** – On all conveyances, deeds, instruments, or writings, other than grants or patents issued by the government, whereby any land, tenement, or other realty is granted, assigned, transferred, or otherwise conveyed to another person, there shall be collected a documentary stamp tax at the rates prescribed under this Title:

**PROVIDED, THAT THIS SECTION SHALL NOT APPLY TO DEEDS OF DONATION, INTRAFAMILY TRANSFERS, OR OTHER CONVEYANCES EXECUTED WITHOUT PECUNIARY CONSIDERATION.**

SEC. 7. Section 196 of the same Code is hereby further amended to read as follows:

**SEC. 196. *Stamp Tax on Other Documents.*** – On all other documents, instruments, papers, and writings not otherwise specified in this Title, there shall be collected a documentary stamp tax of Thirty pesos (₱30.00):

**PROVIDED, THAT NO DOCUMENTARY STAMP TAX SHALL BE IMPOSED UNDER THIS SECTION ON DOCUMENTS THAT DO NOT INVOLVE A COMMERCIAL OR FINANCIAL TRANSACTION.**

**SEC. 8. *Implementing Rules and Regulations.*** – Within sixty (60) days from the effectivity of this Act, the Secretary of Finance shall, upon the recommendation of the Commissioner of Internal Revenue, promulgate the necessary rules and regulations for the effective implementation of this Act.

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

**SEC. 10. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,