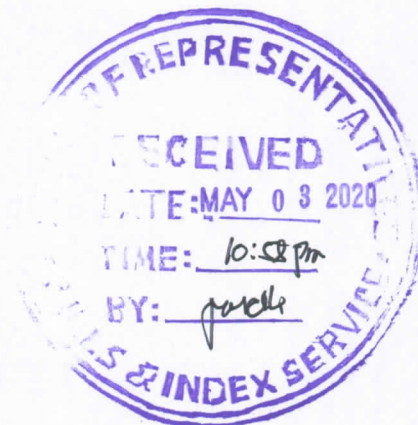


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 6649



Introduced by the Honorable Precious Hipolito Castelo

EXPLANATORY NOTE

The world is currently facing the defining health crisis of our time – the COVID-19 pandemic. It has been difficult to fight this war, in which the enemy is a virus that has taken the lives of many people around the world already. Current statistics show that there is no stopping this virus from spreading until a vaccine is discovered and developed for mass distribution.

In response to the COVID-19 crisis, the government has stepped in and implemented drastic social distancing measures to slow the spread of the virus. Since March 15, 2020, parts of the country have been under a “community quarantine” which was later escalated to “enhanced community quarantine” due to the surge of new cases.

On March 23, the Senate and the House of Representatives met at a historic special session to deliberate President Duterte’s request to realign funds for COVID-19 response. “Bayanihan to Heal as One Act” was urgently passed the same day for the signing of the President. On March 25, President Duterte signed the Bayanihan to Heal as One Act of 2020 (Republic Act No. 11469) into law.

Among other benefits, RA 11469 provides for the allocation of a “Special Risk Allowance” to health workers who are working amid this COVID-19 pandemic. Understandably so, since they are highly vulnerable of being infected, being directly exposed to the virus as frontliners. These heroes are willingly putting themselves in harm’s way to safeguard public health. Thus, it is but right and just to reward them if only to show the gratitude and appreciation that our country has for their service.

Thus, it is the intent of this bill to introduce a tax holiday for health workers who are serving the country during the COVID-19 crisis. This proposal aims to exclude from gross income any income received by any qualified health worker for services rendered during the applicable period as provided.

The immediate passage of this bill is most earnestly sought.


PRECIOUS HIPOLITO CASTELO

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 6649

Introduced by the Honorable Precious Hipolito Castelo

AN ACT

MANDATING A TAX HOLIDAY FOR ALL QUALIFIED HEALTH WORKERS SERVING AT THE FRONTLINES DURING THE CORONAVIRUS DISEASE 2019 (COVID-19) GLOBAL PANDEMIC

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

SECTION 1. *Short Title.* – This Act shall be known as the "Health Workers' Tax Holiday Act of 2020".

SEC. 2. *Declaration of Policy.* – The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all. Towards this end, the State shall implement policies which will alleviate the burden of its citizens, especially the health workers, due to the economic and public health consequences brought about by the COVID-19 pandemic.

SEC. 3. *Exclusion from Gross Income for Qualified Health Workers.* – For purposes of National Internal Revenue Code of 1997, as amended, gross income shall not include income received by any qualified health worker for services rendered during the applicable period provided under this Act.

SEC. 4. *Qualified Health Workers.* – For purposes of Section 3, the term "qualified health workers" means all persons who are engaged in health and health-related work, and all persons employed in all hospitals, sanitarium, health infirmaries, health centers, rural health units, barangay health stations, clinics and other health-related establishments, public or private, and shall include medical, allied health professional, administrative and support personnel employed regardless of their employment status.

SEC. 5. *Applicable Period.* – The term "applicable period" means the period beginning on March 15, 2020 and ending on May 15, 2020.

SEC. 6. *Extension.* – The Secretary of Finance may extend the applicable period for a period not to exceed three (3) additional calendar months if the Secretary determines that the emergency related to COVID-19 is likely to be still ongoing during such period.

SEC. 7. *Implementing Rules and Regulations.* – Within thirty (30) days from the effectivity of this Act, the Department of Finance (DOF) shall promulgate the necessary rules and regulations to effectively implement the provisions of this Act.

SEC. 8. *Separability Clause.* – If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SEC. 9. *Repealing Clause.* – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with, the provisions of this Act is hereby repealed, modified, or amended accordingly.

SEC. 10. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,