Republic of the Philippines
HOUSE OF REPRESENTATIVES

Quezon City

SEVENTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 562

HOUSE OF REPRESENTATIVES

RECEIVED

DATE 3 0 JUN 2016

TIME: 8: V PU

BY: JORGE

REGISTRATION UNIT

BILLS AND INDEX SERVICE

Introduced by Rep. Winston "Winnie" Castelo

### **EXPLANATORY NOTE**

First off, this bill aims to serve as the counterpart of Senate Bill 2149 authored by Senator Sonny M. Angara believing as this humble author does in the timeliness and urgency of a measure of this nature. It has for its title "An Act Amending Section 24 of the National Internal Revenue Code of 1997, as Amended, and For Other Purposes."

Concurring with the senator's observation that underscores the necessity for lowering corporate and individual income tax rates, as did some ASEAN Economic Community (AEC) member-states, with further reductions in the subsequent years, as soon as the AEC Declaration was signed in 2007, this author submits the urgency of the matter and calls attention to the wisdom of the measure.

The current individual tax bracket has been in force for 17 years already when the consumer price index (CPI) already almost doubled.

Noted, also, is the fact that the Philippines has one of the highest individual tax rates in South East Asia at 32 percent.

In order for the Filipino workers to cope with the ever escalating price spikes in basic services and commodities, the individual income tax schedule should hereby be equitably reduced.

In order to cushion the revenue impact of the individual income bracket adjustments and the reduction of individual income tax rates, this bill spreads the reduction over a period of three (3) years.

The approval and passage of this bill is therefore most earnestly enjoined, hence this submission.

MINNIE CASTELO

# Republic of the Philippines HOUSE OF REPRESENTATIVES Quezon City

## SEVENTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. \_\_\_\_\_

# Introduced by Rep. Winston "Winnie" Castelo

#### AN ACT

# AMENDING SECTION 24 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES

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

SECTION 1. Section 24(A)(2) of the National Internal Revenue Code of 1997, as amended, is hereby further amended to read as follows:

"Sec. 24. Income Tax Rates. -

 $\mbox{\ensuremath{^{\prime\prime}}(A)}$  Rates of Income Tax on Individual Citizen and Individual Resident Alien of the Philippines. –

(2) Rates of Taxable Income of Individuals. – The tax shall be computed in accordance with and at the rates established in the following schedule:

"Taxable Income	Beginning January 2, 2015	Beginning January 1, 2016	Beginning January 1, 2017
"P20,000 but not over P70.000	15%	13%	10%
"Over P70,000 but not over P200,000	P10,500 +20% of the excess over P70,000	P9,100 +18% of the excess over P70,000	P7,000 +15% of the excess over P70,000
"Over P200,000 but not over P500,000	P36,500 +25% of the excess over P200,000	P32,500 +23% of the excess over P200,000	P26,500 +20% of the excess over P200,000
"Over P500,000 but not over P1,000,000	P111,500 +30% of the excess over P500,000	P101,500 +25% of the excess over P500,000	P86,500 +22% of the excess over P500,000
"Over P1,000,000.	P261,500 +32% of the excess over P1,000,000	P226,500 +28% of the excess over P1,000,000	P196,500 +25% of the excess over P1,000,000

"[Not over P10,000 ......5% "Over P10,000 but not over ......P500 + 10% of the excess P30,000 over P10.000 P70,000 over P70,000 "Over P70,000 but not over ...... P8,500 + 20% of the excess P140,000 over P70,000 "Over P140,000 but not over ...... P22,500 + 25% of the excess P250,000 over P140,000 "Over P250,000 but not over ...... P50,000 + 30% of the excess P500.000 over P250,000 "Over P500,000 ...... P125,000 +32% of the excess over P500,000]"

"XXX

"xxx.

- SEC. 2. Implementing Rules and Regulations. The Secretary of Finance shall promulgate the necessary rules and regulations for the effective implementation of the provisions of this Act.
- SEC. 3. Repealing Clause. All laws, orders, issuances, circulars, rules and regulations or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.
- SEC. 4. Separability Clause. If any provision of this Act is declared unconstitutional or invalid, other parts or provisions hereof not affected thereby shall continue to be in full force and effect.
- SEC. 5. Effectivity. This Act shall take effect on January 1, 2015 following its publication in at least two (2) newspapers of general circulation.

Approved,