

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City
SEVENTEENTH (17th) CONGRESS
First Regular Session

HOUSE OF REPRESENTATIVES	
RECEIVED	
DATE:	27 JUL 2016
TIME:	5:51 PM
BY:	<i>[Signature]</i>
REGISTRATION UNIT BILLS AND INDEX SERVICE	

House Bill No. 2067

Introduced by REPRESENTATIVE ERIC L. OLIVAREZ

EXPLANATORY NOTE

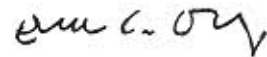
Under existing provisions of the Labor Code of the Philippines (P.D. No. 442) on Night Shift Differential specifically Art. 86, Book III of the said decree *"every employee shall be paid night differential of not less than ten percent (10%) of his regular wage for each hour of work performed between ten o'clock in the evening and six o'clock in the morning."*

Because of this provision in the Labor Code, builders and contractors of government infrastructure projects such as roads and bridges often do not allow constructions at night, except in extreme cases of urgency, on account of the additional cost of labor. However, an analysis of the work output of workers would show that their efficiency is greater at night because it is cooler and they are spared of the biting heat of the sun. Furthermore, the delays caused by traffic are eliminated as traffic density at night is at a minimum almost nil and therefor the work flow is faster.

On the part of the motorists, construction on roads and bridges at night would be preferred because the flow of traffic during the day would be unimpeded by the said road construction or repairs.

This bill proposes to amend Art. 86, Book III, of P.D. No. 442 or the Labor Code quoted above, by EXEMPTING contractors of government infrastructure projects from the application of the payment of night shift differential, OR by GRANTING the said contractors or builders of government infrastructure projects a TAX INCENTIVE, equivalent to the amount of night shift differential payments made by them which may be applied to payment of income taxes for the current or succeeding year. The pertinent provisions of the Tax Code shall also be considered modified or amended accordingly.

Considering the benefits expected from the enactment of this proposed measure and the practice in almost all other countries, it is desired that this bill will merit the support of my colleagues.



ERIC OLIVAREZ

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

SEVENTEENTH (17th) CONGRESS
First Regular Session

House Bill No. 2067

Introduced by **REPRESENTATIVE ERIC L. OLIVAREZ**

**AN ACT CREATING INCENTIVES FOR UNDERTAKING
GOVERNMENT INFRASTRUCTURE CONSTRUCTION AT NIGHT
AMENDING CERTAIN PROVISIONS OF THE LABOR CODE AND THE
TAX CODE AND FOR OTHER PURPOSES.**

SECTION 1. Government infrastructure projects shall be exempt from the application of night shift differential as required under Article 86, Book III of the Labor Code. However, should the builder or contractor of such government infrastructure project decide to pay the night shift differential for night labor, as required in the labor code, such builder/contractor shall be allowed a tax credit equivalent to the total of the night shift differential paid, to be deducted from the income taxes due from said builder/contractor for the current or succeeding years.

SECTION 2. Art. 86, Book III of the Labor Code (P.D. 442) shall be amended to read as follows:

“Article 86. Night shift differential – an employee shall be paid night shift differential of no less than ten percent (10%) of his regular wage for each hour of work performed between ten o’clock in the

evening and six o'clock in the morning. Provided that, contractors or builders of government infrastructure projects shall be exempted from the application of this provision.

Provided, further, that should the builder/contractor of government infrastructure projects decide to pay the night shift differential such builder/contractor shall be allowed a tax credit equivalent to the total amount of night shift differential paid deductible from the income tax due from him for the current years."

SECTION 3. This law shall take effect after publication in two (2) newspapers of general circulation.

APPROVED