



Republic of the Philippines
House of Representatives



EIGHTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 5485

Introduced by Rep. Luisa Lloren Cuaresma
Lone District of Nueva Vizcaya

AN ACT
PROVIDING INCOME TAX EXEMPTION TO COMPENSATION OF TEACHERS
SERVING AS MEMBERS OF THE ELECTORAL BOARD FOR NATIONAL OR
LOCAL ELECTIONS

EXPLANATORY NOTE

Undisputedly, teachers play a very important role every election season. They are often called on to be on the frontlines of the polls, serving as members of the Board of Election Inspectors (BEI) tasked with operating the Vote Counting Machines (VCM) and assisting voters on Election Day. Despite of the fact that the election season likely results to incidents of violence and deaths, teachers bravely wager these challenges in order to effectively and efficiently carryout their functions.

On account of the roles being played by them during election seasons, teachers receive compensation. Unfortunately, just like any other income, the aforesaid compensation is being subjected to income tax. As a result, the hard-earned compensation being earned by teachers, which to some extent, becomes the price for their safety and lives, is being reduced to a meager amount that is barely sufficient to augment their other source of income.

In order to allow teachers to fully enjoy the amount of compensation being paid to them, and in recognition of their notable service even in hazardous environments during election seasons, the undersigned introduces this Bill which seeks to exempt from income tax, compensation given to teachers for serving as members of the election board for national or local elections.

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

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

Section 1. Declaration of Policy. – It is declared the policy of the State to promote and uplift the economic status of teachers and to recognize the public service they are rendering by serving in the Electoral Boards during the national and local elections.

Section 2. *Section 24 (A)(1)(a)* of Republic Act No. 10963 provides that taxable income, as defined for each taxable year from all sources within and without the Philippines residing therein, shall be subject to income tax if the taxable income is over P250,000.00. *Section 32* of the National Internal Revenue Code (NIRC) of the Philippines defines gross income to include compensation for services in whatever form paid, including, but not limited to, fees, salaries, wages, commissions, and similar items. On account of these provisions under the NIRC, the compensation paid to teachers who serve as members of the Electoral Board during national or local elections is being subjected to income tax.

Section 3. Notwithstanding the provisions of *Section 24 (A)(1)(a)* of Republic Act No. 10963, and in order to give substance to the policy of the State to uplift the economic status of teachers especially those who play a vital role during election seasons, all compensation received by teachers who serve as members of the Electoral Board for the national or local election shall not be considered as component of gross income and shall be exempt from income tax.

Section 4. Implementing Rules and Regulations. – The Commissioner of the Bureau of Internal Revenue shall promulgate such rules and regulations as may be necessary to implement the provisions of this Act within ninety (90) days after the effectivity of this Act.

Section 5. *Separability Clause.* – If any portion or provision of this Act is declared void and unconstitutional, the remaining portions or provisions hereof shall not be affected by such declaration.

Section 6. *Repealing Clause.* – All laws, presidential decrees, executive orders, or issuances, or any part thereof which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

Section 7. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or two (2) newspapers of general circulation.

Approved.