

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3734



Introduced by Rep. Julieta R. Cortuna

EXPLANATORY NOTE

This proposed measure seeks to balance out the gap between the additional income tax exemption for dependents valuation under RA 8424 enacted in 1997 and the current economic condition. The current law extends to individual income taxpayers an additional exemption of Eight Thousand Pesos (P8,000.00) per dependent, not exceeding four (4). However, considering the current inflation rate in the Philippines, let alone, the introduction of the K+12 DepEd curriculum, the additional exemption is wide of the mark. The current inflation takes away from the purchasing power of every household and the additional two years of basic education strains family budget.

Hence, there is a necessity for a raise on the additional exemption for dependents. In keeping with the vicissitudes of time, laws have to be updated or amended so as to liberally respond to the changing needs of the society.

The immediate passage of this proposed measure is thus earnestly sought.


JULIETA R. CORTUNA

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AN ACT
INCREASING THE ADDITIONAL INCOME TAX EXEMPTION FOR EACH DEPENDENT
FROM EIGHT THOUSAND PESOS (P8,000) TO FIFTY THOUSAND PESOS (P50,000),
AMENDING FOR THE PURPOSE SEC. 35 (B), CHAPTER VII OF REPUBLIC ACT NO. 8424,
A.K.A., THE TAX REFORM ACT OF 1997, AND FOR OTHER PURPOSES

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

SECTION 1. Section 35 (B), Chapter VII of the Tax Reform Act of 1997 is
hereby amended to read as follows:

(A) xxx

(B) Additional Exemption for Dependents – There shall be allowed an additional
exemption of FIFTY THOUSAND PESOS (P50,000) for each dependent not
exceeding four (4).

SEC. 2. All laws, executive orders, proclamations, presidential decrees, rules
and regulations, issuances, or parts thereof inconsistent with the provisions of this Act
are hereby repealed or modified accordingly.

SEC. 3. This Act shall take thirty (30) days after its publication in the Official
Gazette or in at least two (2) national newspapers.

Approved,