

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 4819



Introduced by Pangasinan Fifth District Representative
HON. RAMON V. GUICO III

EXPLANATORY NOTE

Article XIV, Section 5 of the 1987 Constitution sought to “ensure that teaching will attract and retain its rightful share of the best available talents through adequate remuneration and other means of job satisfaction and fulfilment.” Likewise, Republic Act No. 4670, otherwise known as the Magna Carta for Public School Teachers, provided for the promotion and improvement of the overall wellbeing of our school teachers, so that they may “compare favorably with existing opportunities in other walks of life and to attract and retain in the teaching profession more people with the proper qualifications.”

The abovementioned principles have always been the legal cornerstone of every raging debate regarding the salary hike for public school teachers. Much has been said—and rightfully so—about their plight, who despite their noble profession, has continued to languish on the brink of destitution because of deficient compensation. Granted that teachers’ salaries have seen marked improvements over time, and with the numerous benefits that are already provided for and supposedly, enjoyed by teachers, their conditions remain far from optimal. As a consequence, teaching professionals have become part of the on-going *brain drain* phenomenon in the country, while others decidedly gave up the profession.

While this representation recognizes the relatively bleak reality of being a public school teacher in the country, it is also well aware of the fiscal strains that salary increases entail. For one, there is the issue of equitability of professions. Anticipation of salary increase for one profession would mean greater demand for salary increases in several others, making the matter at hand not only fiscally strenuous, but morally contentious. Secretary of Education, Leonor Briones, estimated that a P5000.00 across the board increase for an 830,000 strong teaching force will require an additional P75 billion annually. Such a huge sum will obviously take a toll on the fiscal health of the country.

Seeking to strike a balance between providing for our teachers a quality of life they truly deserve and practicing the fiscal discipline required so as not to compromise the integrity of other equally important government services and functions, this bill is proposed. Under this Act, public

school teachers with the ranks of Teacher I, II, and III shall be given tax relief to provide them greater financial leeway to maintain a decent standard of living.

Improving the lot of our public school teachers is not a one-time endeavour. The salary increase for public school teachers shall never be out of the question, but it still has to be equitable and sustainable. Tax relief and the effective and efficient dispensation of the benefits due to them is preferable and by far, more manageable. A salary increase is in order if the government has the means to do so, but for now, we have to think of alternative solutions to address this glaring problem.

In view of the foregoing, immediate approval of this measure is earnestly sought.



Rep. Ramon V. Guico III

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AN ACT
EXEMPTING PUBLIC SCHOOL TEACHERS FROM INCOME TAX, AMENDING
FURTHER FOR THIS PURPOSE SECTIONS 22 AND 24(A)(2) OF THE NATIONAL
INTERNAL REVENUE CODE OF 1997, AS AMENDED BY REPUBLIC ACT NO. 9504

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

1 **SECTION 1.** Section 22 of Republic Act No. 8424, otherwise known as the National Internal
2 Revenue Code of 1997, as amended by Republic Act No. 9504, shall hereby be amended further by
3 adding the following definitions after Subsection (HH) to read as follows:

4
5 “SEC. 22. *Definitions.* – when used in this Title:

6
7 “(A) xxx.

8
9 “(HH) xxx.

10
11 “(II) THE TERMS ‘TEACHER I, TEACHER II, AND TEACHER III’ SHALL REFER
12 TO THE BASIC CLASSROOM TEACHER POSITIONS IN PUBLIC ELEMENTARY
13 AND SECONDARY SCHOOLS AS DEFINED BY THE DEPARTMENT OF
14 EDUCATION (DEPED).

15
16 “(JJ) THE TERM ‘PUBLIC SCHOOL’ SHALL REFER TO EDUCATIONAL
17 INSTITUTIONS ESTABLISHED, ADMINISTERED, AND MAINTAINED BY THE
18 GOVERNMENT AT THE PUBLIC’S EXPENSE.

19
20 **SEC. 2.** Section 24(A)(2) of Republic Act No. 8424, otherwise known as the National Internal
21 Revenue Code of 1997, as amended by Republic Act No. 9504, shall hereby be further amended to read
22 as follows:

23
24 “SEC. 24. *Income Tax Rates.* –

25
26 “(A) *Rates of Income Tax on Individual Citizen and Individual Resident Alien of the*
27 *Philippines.* –

28
29 “(1) xxx:

30
31 “(2) xxx

32
33 “*Provided*, That minimum wage earners as defined in Section 22 (HH) of this Code **AND**
34 **PUBLIC SCHOOL TEACHERS WITH THE RANKS OF TEACHER I, II, AND III AS**
35 **DEFINED IN SECTION 22 (II) OF THIS CODE** shall be exempt from the payment of
36 income tax on their taxable income: *Provided, further*, That the holiday pay, overtime pay, night
37 shift differential pay and hazard pay received by such minimum wage earners shall likewise be
38 exempt from income tax.

39 **SEC. 3. *Separability Clause.*** – If any part or provision of this Act is declared invalid or
40 unconstitutional, the other parts not otherwise affected shall remain in full effect and force.

41 **SEC. 4. *Repealing Clause.***—All laws, decrees, executive orders or parts thereof inconsistent
42 with the provisions of this Act is hereby repealed or modified accordingly.
43

44 **SEC. 5. *Effectivity.*** - – This Act shall take effect fifteen (15) days after its publication in at
45 least two (2) newspapers of general circulation.

Approved,