

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



Eighteenth Congress
First Regular Session

HOUSE BILL NO. 4843

Introduced by Representative Jose "Jun" L. Ong, Jr.

EXPLANATORY NOTE

This bill seeks to grant income tax holiday to newly registered business establishments in the Province of Northern Samar.

Northern Samar is one of the three provinces in Samar Island. It is part of the Eastern Visayas region composed of 24 towns and 569 barangays, with the Municipality of Catarman as its provincial capital.

Northern Samar is located in the disaster-prone area, where natural calamities are always occurring. It is exposed to a range of natural hazards, such as typhoons, storm surges, floods, landslides, liquefaction, earthquakes and tsunamis. About 70% of the towns in the province are highly susceptible to these natural hazards.

In 2013, Typhoon Yolanda brought so much devastation in the province. But in December 2015, according to the post disaster assessment report of the Office of Civil Defense, Typhoon Nona was the strongest typhoon to hit Northern Samar in 34 years which affected 112,655 families and left a trail of destruction estimated at P14.39 billion.

On 3 January 2019, Northern Samar was placed under a state of calamity due to terrible floods brought about by Tropical Depression Usman affecting more or less 185,902 persons.

On top of the hazards, Northern Samar also belongs to the top 20 poorest provinces in the country as shown by the 2018 survey conducted by the Philippine Statistics Authority.

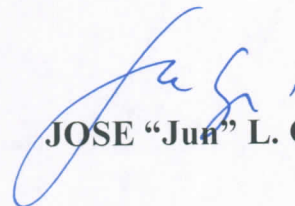
Presently, Northern Samar is plunged deeper into poverty not only because of the floods brought about by Typhoon Usman but also of the low prices of copra and infestation of coconut and abaca crops which are the main sources of livelihood in the province.

With the constant risk of loss and devastation, only a few businessmen are brave enough to invest or establish businesses in the province. These few entrepreneurs are really struggling to maintain their businesses.

With all of the foregoing, this measure seeks to revitalize the economic and business condition of the province and create employment for the residents of Northern Samar.

Granting a tax holiday to newly registered business enterprises in Northern Samar will encourage businessmen to invest and establish business enterprises, which, in turn, shall create job opportunities for local residents, and improve the economy of the province.

In view of the foregoing, the approval of this bill is highly recommended.



JOSE "Jun" L. ONG, JR.

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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Eighteenth Congress
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HOUSE BILL NO. **4843**

Introduced by Representative Jose “Jun” L. Ong, Jr.

1 **AN ACT**
2 **GRANTING INCOME TAX HOLIDAY TO ALL NEWLY**
3 **ESTABLISHED BUSINESS ENTERPRISES IN THE PROVINCE OF**
4 **NORTHERN SAMAR**

5
6 *Be it enacted by the Senate and House of Representatives of the Philippines in*
7 *Congress assembled:*
8

9 SECTION 1. This Act shall be known as the “*Northern Samar Tax*
10 *Holiday Incentives Act.*”

11 SEC. 2. It is hereby declared the policy of the State to promote
12 local employment and encourage business opportunities and economic growth
13 in the countryside by providing tax holiday incentives to newly established
14 businesses.

15 SEC. 3. For a period of five (5) years from the effectivity of this Act, all
16 newly registered business enterprises in the Province of Northern Samar shall be
17 exempt from income tax levied by the National Government.

18 The tax exemption may be extended for another five (5) years subject to
19 the following criteria:

1 a) The business enterprise covered has suffered operational *force*
2 *majeure* that has impaired its viability;

3 b) The business enterprise has not fully enjoyed the income tax
4 holiday granted to it for reasons beyond its control; and

5 c) The operation of the business enterprise has been subjected to
6 unforeseen changes in government policies.

7 Newly registered business entity refers to any individual, partnership,
8 corporation, Philippine branch of a foreign corporation, or other entity newly
9 incorporated, organized and existing under Philippine laws.

10 SEC. 4. All business enterprises availing of the income tax holiday under
11 this Act are required to file an annual income tax incentives report on or before
12 the deadline for the filing of annual income tax returns under the National
13 Internal Revenue Code as amended.

14 The details of the tax incentives reports, as provided in the preceding
15 paragraph shall be provided in the implementing rules and regulations of this
16 Act.

17 SEC. 5. Within sixty (60) days from the effectivity of this Act, the
18 Secretary of Trade and Industry, in coordination with the Secretary of Finance
19 and the Governor of Norther Samar, shall promulgate the necessary rules and
20 regulations for the effective implementation of this Act.

1 SEC 6. All laws, decrees, orders, rules and regulations and other
2 issuances, or part thereof, which are inconsistent with the provisions of this Act
3 are hereby repealed or amended accordingly.

4 SEC. 7. This Act shall take effect fifteen (15) days after its publication in
5 the *Official Gazette* or in a newspaper of general circulation.

6 Approved,