



Republic of the Philippines
House of Representatives
Batasan Hills, Quezon City

Eighteenth Congress
First Regular Session

HOUSE BILL NO. 5183

Introduced by: Representative Florencio Gabriel G. Noel

Section 2 of Republic Act No. 7607, otherwise known as “Magna Carta for Small Farmers” provides that:

“It is the declared policy of the State to give the highest priority to the development of agriculture such that equitable distribution of benefits and opportunities is realized through the empowerment of small farmers. While the State recognizes the fact that the welfare and development of the small farmers is their primordial responsibility, the State shall provide the necessary support mechanism towards the attainment of their socioeconomic endeavors.”

The Philippine Rice Research Institute in its report entitled “Competitiveness of Philippine Rice in Asia” states that the annual rice yield per hectare in Philippines is at 9.52 tons, which is the second lowest in Asia. During the second quarter of 2019, the Philippine Statistics Authority (PSA) recorded a 5.82% decrease in palay production, while in terms of crop production, a 5.70% drop was recorded.¹ At current prices, the value of crops production amounted to P215.5 billion or 11.09 % lower this period compared to the first three months of 2019. From the first quarter of the year until June, a 3.16% reduction in crops production was recorded.²

¹ Performance of Philippine Agriculture, April-June 2019 accessed at: <https://psa.gov.ph/ppa-main>.

² *Id.*

The unceasing decrease in the price of rice in the country has also been a continuous problem for small scale Filipino farmers and farm owners. Currently, the price of palay is at an all-time low. Due to this, small-scale Filipino farmers are having difficulties in providing for their families. The plummeting price of rice in the country continues to aggravate the miserable plight of Filipino farmers. By exempting such farm owners from payment of property tax, their financial burden resulting from the plummeting price of rice in the country will be alleviated.

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

A handwritten signature in black ink, appearing to read 'F. Noel', with a stylized, cursive script.

FLORENCIO GABRIEL G. NOEL
An Waray Party-list Representative



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AN ACT AMENDING PRESIDENTIAL DECREE NO. 464 OTHERWISE KNOWN AS "THE REAL PROPERTY TAX CODE" BY GRANTING PROPERTY TAX EXEMPTION TO QUALIFIED AGRICULTURAL LANDS FOR A PERIOD OF FIVE (5) YEARS

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

SECTION 1. – Section 40 of Presidential Decree No, 464, otherwise known as the "The Real Property Tax Code" is hereby amended to read as follows:

Section 40. Exemptions from Real Property Tax. The exemption shall be as follows:

X X X X

(G) AGRICULTURAL LANDS THAT ARE NOT MORE THAN TWO (2) HECTARES IN SIZE AND HAVE BEEN IN CONTINUOUS OPERATION FOR AT LEAST FIVE (5) YEARS: PROVIDED THAT, THIS EXEMPTION SHALL CEASE TO EXIST AFTER THE LAPSE OF FIVE (5) YEARS FROM THE EFFECTIVITY OF THIS ACT.

X X X X

SECTION 2. Repealing Clause. – All laws, decrees, issuances, rules and regulations inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 3. Effectivity Clause. – This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,