

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 115

Introduced by Representative JUAN MIGUEL MACAPAGAL ARROYO

AN ACT
PROVIDING ADDITIONAL PERSONAL EXEMPTION FOR INDIVIDUAL
TAXPAYERS WHO TAKE CARE OF THEIR ELDERLY PARENTS, AMENDING
FOR THE PURPOSE REPUBLIC ACT NO. 8424, AS AMENDED, OTHERWISE
KNOWN AS THE "NATIONAL INTERNAL REVENUE CODE OF 1997"

EXPLANATORY NOTE

This bill seeks to provide additional personal tax exemption to individual taxpayers who take care of their elderly parents.

One praiseworthy Filipino value is devotion to family ties. Married children take care of their parents by supporting them during their twilight years as an act of gratitude for all pains and sacrifices. Thus, it is not surprising to see family members who provide their aging parents a wide array of assistance from medications, adult healthcare and in some cases, medical procedures. And since family is the backbone of the long-term health care system in the Philippines, we always make sure that care for older persons is left in the hands of family members.

Many family members today face economic difficulties due to high cost of living. In some instances, it is common to find households where both spouses work to support their children and provide care for their aging parents. Despite entailing additional expenses in looking after their elderly parents, it doesn't seem to matter for the ordinary Filipino family who would rather personally take care of them rather than entrusting them to other people.

Republic Act No. 7432 entitled, "*An Act to Maximize the Contribution of Senior Citizens to Nation-Building, Grant Benefits and Special Privileges and For Other Purposes,*" was enacted to give assistance to individuals who take care of their elderly parents. It allows a taxpayer, who is head of the family, to include a senior citizen as a dependent under the National Internal Revenue Code or the NIRC. However, this privilege was not expressly provided under Republic Act No. 8424 or the NIRC of 1997 and in any of its implementing rules and regulations. Hence, there is a need to legislate anew this matter by incorporating it in RA 8424, as amended, in order for individual taxpayers to fully avail of this additional tax exemption.

By including parents who are senior citizens as dependents, the State relieves taxpayers from tax burden and allows them to save money which can be used to meet the nutrition, education, medicines and other basic needs of other dependents.

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


JUAN MIGUEL MACAPAGAL ARROYO
2nd District, Pampanga

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

SECTION 1. Paragraph (B) of Section 35 of Republic Act No. 8424, as
amended, is hereby further amended to read as follows:

"Sec. 35. ***Allowance of Personal Exemption for Individual
Taxpayer.*** –

A) In general. – xxx

xxx

xxx

xxx

B) **Additional Exemption for Dependents.** – There shall be
allowed an additional exemption of Twenty-Five Thousand
Pesos (P25,000.00) for each dependent CHILD not exceeding
four (4).

The additional exemption for dependents shall be claimed by
only one of the spouses in the case of married individuals.

In the case of legally separated spouses, additional exemptions may be claimed only by the spouse who has custody of the child or children: *Provided*, That the total amount of additional exemptions that may be claimed by both shall not exceed the maximum additional exemptions herein allowed.

AN ADDITIONAL EXEMPTION OF TWENTY-FIVE THOUSAND PESOS (P25,000.00) FOR EACH ELDERLY PARENT SHALL LIKEWISE BE ALLOWED TO THE INDIVIDUAL TAXPAYER: *PROVIDED*, THAT THE ELDERLY PARENT IS CHIEFLY DEPENDENT ON AND LIVING WITH THE TAXPAYER.

For purpose of this subsection, a "dependent" means a legitimate, illegitimate or legally adopted child chiefly dependent upon living with the taxpayer if such dependent is not more than twenty-one years of age, unmarried and not gainfully employed or AN ELDERLY PARENT WHO IS AT LEAST SIXTY (60) YEARS OLD WITH NO MEANS OF SUPPORT OR if such dependent, regardless of age, is incapable of self-support because of mental or physical defect."

SECTION 2. The Commissioner of the Bureau of Internal Revenue shall issue the necessary rules and regulations for the effective implementation of this Act.

SECTION 3. This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,