

SEVENTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session

HOUSE OF REPRESENTATIVES
H.B. No. **3274**

HOUSE OF REPRESENTATIVES	
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BILLS AND LEGISLATIVE SERVICE	

Introduced by Representative Harry L. Roque Jr.

AN ACT
PROVIDING FOR TAX RELIEF IN TIMES OF CALAMITY

EXPLANATORY NOTE

The aftermath of Typhoon Ondoy showed to the world the best of Filipino traits. Ordinary citizens risked their lives to save strangers. Hard earned savings were given freely to charitable organizations.

However, a few bureaucratic speed bumps were brought to light that impeded the steady flow of donations. Multinationals and some individuals wanted to give huge sums to organizations to help aid the calamity victims. But they would have to face paying a hefty sum for donor's tax. They can avail of exemption if they give to charitable organizations but there are accreditation requirements before exemption applies. They would also have to submit paperwork due to BIR audit procedures. Added to this problem is the fact that not all organizations that have relief operations are accredited charitable organizations.

This bill addresses all of these concerns. As long as a calamity is declared by the proper sanggunian, donations in favor of the victims shall be exempt from taxation notwithstanding the nature of the business of the donee organization. No red tape will also hamper funds from coming in. This bill is based on the response of the United States

Congress in granting similar tax treatments in the wake of Hurricane Katrina.¹



HARRY L. ROQUE JR.

¹ This bill was originally filed during the Fourteenth Congress, Third Regular Session, and refiled by Senator Miriam Defensor Santiago in the Sixteenth Congress, Third Regular Session.

SEVENTEENTH CONGRESS OF THE REPUBLIC)
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First Regular Session)

HOUSE OF REPRESENTATIVES
H.B. No. 3274

Introduced by Harry L. Roque Jr.

1 AN ACT

2 PROVIDING FOR TAX RELIEF IN TIMES OF CALAMITY

3
4 *Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:*

5 SECTION 1. *Calamity defined.*—For the purposes of this Act, "Calamity" shall be defined as a
6 state of extreme distress or misfortune, produced by some adverse circumstance or event or any
7 great misfortune or cause or loss or misery caused by natural forces.

8 SECTION 2. *Effect of Declaration of Calamity.*—A declaration of a state of calamity by the
9 proper local Sanggunian shall make effective the following tax relief: A) The real property tax in the
10 affected area shall not be assessed and collected for two fiscal years, starting from the date of the
11 declaration of a state of calamity;

12 B) Any donation in the name of any organization that declares that the funds donated shall be in
13 favor of the victims of the calamity shall be exempt from donor's tax. This exemption from the donor's tax
14 shall automatically apply and the Bureau of Internal Revenue shall not require any accreditation
15 requirements: Provided, however, that not more than 10% of the said gifts shall be used by the donee
16 organization for administration purposes.

17 SECTION 3. *Separability Clause.*— If any provision of this Act is held invalid or
18 unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

1 SECTION 4. *Repealing Clause.* – All laws, decrees, orders, and issuances, or portions thereof,
2 which are inconsistent with the provisions of this Act, are hereby repealed, amended or modified
3 accordingly.

4 SECTION 5. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication
5 in the *Official Gazette* or in two (2) newspapers of general circulation.

6 Approved,