

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

SEVENTEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. **3683**



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Introduced by Representative **CARMELO B. LAZATIN II**

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**AN ACT**

**REQUIRING EVERY INDIVIDUAL WHO IS SUBJECT TO INCOME TAX TO FILE A DECLARATION OF ESTIMATED INCOME FOR THE FIRST QUARTER OF THE CURRENT YEAR ON OR BEFORE MAY 15 OF THE SAME TAXABLE YEAR, AMENDING FOR THE PURPOSE SECTION 74 OF REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS THE "NATIONAL INTERNAL REVENUE CODE OF 1997", AS AMENDED**

**EXPLANATORY NOTE**

This bill seeks to provide relief to every individual income taxpayer who is receiving self-employment income, whether it constitutes the sole source of his income or in combination with salaries, wages and other fixed or determinable income, to make and file a declaration of his estimated income for the first quarter of the current taxable year on or before May 15 of the same taxable year and not on or before April 15 as provided in Section 74(A) of Republic Act No. 8424, as amended, Otherwise known as the "National Internal Revenue Code of 1997."

The deadline of April 15 for individual income taxpayers is only fifteen (15) days from the quarter ending March 31 of the current taxable year. The second and third quarter deadlines for the quarter ending June 30 and September 30, respectively, are on August 15 and November 15, respectively, both of which are forty-five (45) days from the end each of each quarter. Thus, the fifteen (15) day deadline after the end of the first quarter is clearly inconsistent with the 45-day deadline after the end of the second and third quarters.

On the other hand, the corporately quarterly income tax return is filed with or without payment within sixty (60) days following the close of each of the first three (3) quarters of the taxable year. Clearly, there is consistency in the number of days provided to corporations to file their quarterly income tax returns.

April 15 is also the deadline of filing and payment of the **annual** income tax for the prior year for both individual and corporate income taxpayers. This is three and a half months from the end of the calendar year to give ample time to both corporate and individual income taxpayers to consolidate their annual income tax returns. However, to make the deadline for the filing of the individual quarterly income tax return on the same date, April 15, is too burdensome for the individual income tax payers.

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



CARMELO "JON" B. LAZATIN II

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HOUSE OF REPRESENTATIVES  
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Introduced by **Honorable CARMELO B. LAZATIN II**

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**AN ACT**  
**REQUIRING EVERY INDIVIDUAL WHO IS SUBJECT TO INCOME TAX TO**  
**FILE A DECLARATION OF ESTIMATED INCOME FOR THE FIRST QUARTER**  
**OF THE CURRENT YEAR ON OR BEFORE MAY 15 OF THE SAME TAXABLE**  
**YEAR, AMENDING FOR THE PURPOSE SECTION 74 OF REPUBLIC ACT NO.**  
**8424, OTHERWISE KNOWN AS THE "NATIONAL INTERNAL REVENUE CODE**  
**OF 1997", AS AMENDED**

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

SECTION 1. Section 74 of Republic Act No. 8424, as amended, is hereby further amended to read as follows:

*"Sec. 74. Declaration of Income Tax for Individuals." –*

*"(A) In General. – Except as otherwise provided in this*

*Section, every individual subject to income tax under Sections 24*

and 25(A) of this Title, who is receiving self-employment income, whether it constitutes the sole source of his income or in combination with salaries, wages and other fixed or determinable income, shall make and file a declaration of his estimated income for the current taxable year on or before [April 15] **MAY 15** of the same taxable year. In general, self-employment income consists of the earnings derived by the individual from the practice of profession or conduct of trade or business carried on by him as a sole proprietor or by a partnership of which he is a member. Nonresident Filipino citizens, with respect to income from without the Philippines, and nonresident aliens not engaged in trade or business in the Philippines, are not required to render a declaration of estimated income tax. The declaration shall contain such pertinent information as the Secretary of Finance, upon recommendation of the Commissioner, may, by rules and regulations prescribe. An individual may make amendments of a declaration filed during the taxable year under the rules and regulations prescribed by the Secretary of Finance, upon recommendation of the Commissioner.

"(B) Return and Payment of Estimated Income Tax by Individuals. – The amount of estimated income as defined in Subsection (C) with respect to which a declaration is required under Subsection (A) shall be paid in four (4) installments. The

first installment shall be paid at the time of the declaration and the second and third shall be paid on August 15 and November 15 of the current year, respectively. The fourth installment shall be paid on or before [April 15] **MAY 15** of the following calendar year when the final adjusted income tax return is due to be filed."

"(C) xxx xxx xxx".

Sec. 2. All laws, acts, presidential decrees, executive orders, issuances, rules and regulations or parts thereof which are contrary to or inconsistent with any provisions of this Act are hereby repealed, amended or modified accordingly

Sec. 3. This Act shall take effect upon its publication in the Official Gazette or in a newspaper of general circulation.

Approved,