

REPUBLIC OF THE PHILIPPINES  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
**First Regular Session**

House Bill No. 2900



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Introduced by **MAGDALO Party-List Representative**  
**HON. MANUEL DG. CABOCHAN III**

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**EXPLANATORY NOTE**


In the Philippines, existing laws created several governmental agencies which have been carrying out various responsibilities in the care of aging persons and persons with disabilities. This only proves the country's desire in putting forward the rights of elderly citizens and those suffering from disabilities.

Apart from being concerned alone with the plight of aging persons and persons with disabilities, parents who look after their aging dependents, and who raise their dependents with disabilities should also be given enough consideration. Guardians must be entitled to claim for the additional exemption for the reason that it is they who undeniably support and nurture these dependents. It could not be concealed that families with aging dependents and dependents suffering from disability need added resource specifically for their medication and therapy.

Thus, this measure seeks to provide additional economic reprieve to families, particularly taxpayers who bear the responsibility of looking after their children, parents, and even persons with disabilities by reducing tax burden. Moreover, this measure seeks to amend Section 35, paragraph B of the National Internal Revenue Code of 1997, as amended by Republic Act 9504, to take away four-dependent cap that a taxpayer may claim for deductions.

It is hoped that the passage of this measure will finally alleviate the plight of our taxpayers by allowing them to cope with the cost of nobly caring for their dependents requiring special care,

In view of the foregoing, immediate enactment of this measure is earnestly sought.

  
**MANUEL DG. CABOCHAN III**  
*Representative*  
Magdalo Para sa Pilipino Party-List

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AN ACT  
PROVIDING ADDITIONAL RELIEF TO FAMILIES WITH DEPENDENTS,  
SUPPORTING AGING PARENTS AND DISABLED PERSONS

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

1           **SECTION 1. *Short Title.*** – This Act shall be known as the “*Additional Relief to*  
2 *Families Act*”.

3           **SEC.2. *Declaration of Policy and Objectives.*** – The State recognizes the Filipino family  
4 as the foundation of the nation. Accordingly, it shall strengthen its solidarity and actively promote  
5 its total development.

6           Further, the Constitution declares that the family has the duty to take care of its elderly  
7 members but the State may also do so through just programs of social security.

8           Towards this end, Congress shall give highest priority to the enactment of measures that  
9 will grant reprieves, and reduce social and economic inequalities by alleviating the financial  
10 conditions of every family especially those with more children; individuals and families caring  
11 for aging parents, and those who act as legal guardians to persons with mental or physical  
12 handicap or disabilities.

13           **SEC. 3. *Additional Reliefs.*** – In addition to the benefits granted under existing laws,  
14 Section 35(B) of Republic Act No. 8424, otherwise known as the National Internal Revenue  
15 Code of 1997, as amended by Republic Act No. 9504, is hereby further amended, to read as  
16 follows:

17                           “**SEC. 35. *Allowance of Personal Exemption for Individual Taxpayer.***

1 (A) In General. – For purposes of determining the tax provided in Section  
2 24(A) of this title, there shall be allowed a basic personal exemption  
3 amounting to Fifty thousand pesos (P50,000.00) for each individual  
4 taxpayer.

5 In the case of married individual where only one of the spouses is  
6 deriving gross income, only such spouse shall be allowed the personal tax  
7 exemption.

8 (B) *Additional Exemption for Dependents.* – There shall be allowed an  
9 additional exemption of Twenty-five thousand pesos (P25,000.00) for  
10 each for each dependent [not exceeding four (4)].

11 For purposes of this Subsection, **THE TERM [a] “dependent/S:”**  
12 **SHALL** mean[s a]:

13 1) **ONE OR MORE UNMARRIED** legitimate, **LEGITIMATED,**  
14 illegitimate or legally adopted child **NOT MORE THAN**  
15 **TWENTY-ONE (21) YEARS OF AGE,** [chiefly dependent upon  
16 and] living with the taxpayer, [if such dependent is not more than  
17 twenty-one (21) years of age, unmarried and] not gainfully employed,  
18 [or if such dependent] **AND DEPENDENT UPON THE LATTER**  
19 **FOR CHIEF SUPPORT, OR WHERE SUCH CHILD,** regardless  
20 of age, is incapable of self-support because of mental or physical  
21 [defect] **HANDICAP.**

22 The additional exemption for dependents **REFERRED HEREIN** shall be  
23 claimed by only one of the spouses in the case of unmarried individuals.

24 In the case of legally separated spouses, additional exemptions may be  
25 claimed only by the spouse who has custody of the child or children  
26 [;Provided, that the total amount of additional exemptions that may be

1 claimed by both shall not exceed the maximum additional exemptions  
2 herein allowed].

3 2) A PARENT OR BOTH PARENTS, NOT GAINFULLY  
4 EMPLOYED, LIVING WITH THE TAXPAYER, AND  
5 DEPENDENT UPON THE LATTER FOR CHIEF SUPPORT,  
6 OR WHERE SUCH PARENTS, REGARDLESS OF INCOME,  
7 ARE INCAPABLE OF SELF-SUPPORT BECAUSE OF  
8 MENTAL OR PHYSICAL HANDICAP.

9 AN INDIVIDUAL TAXPAYER WHO ACTS AS LEGAL  
10 GUARDIAN TO A PERSON WITH MENTAL OR PHYSICAL  
11 HANDICAP, REGARDLESS OF AGE AND INCAPABLE OF  
12 SELF-SUPPORT, MAY CLAIM THE ADDITIONAL EXEMPTION  
13 FOR THE SAID DEPENDENT: *PROVIDED*, THAT ONLY THE  
14 LEGAL GUARDIAN CAN AVAIL OF THE ADDITIONAL  
15 EXEMPTION FOR A PARTICULAR TAXABLE YEAR TO THE  
16 EXCLUSION OF THE BIOLOGICAL PARENTS.

17 xxx”

18 **SEC. 4. *Penalty.*** – Notwithstanding the penalty provided for in Section 267 of the  
19 National Internal Revenue Code of 1997, as amended, a person who willfully violates the  
20 preceding section by declaring fictitious dependents shall, upon conviction, be liable for the  
21 payment of a fine equivalent to thrice the amount of tax, interest and surcharges due from the  
22 taxpayer.

23 **SEC. 5. *Implementing Rules and Regulations.*** – The Department of Finance in  
24 coordination with the Bureau of Internal Revenue, and the Department of Social Welfare and  
25 Development shall issue the necessary implementing rules and regulations within thirty (30)  
26 days upon the approval of this Act.

1           **SEC. 6. *Separability Clause.*** – If any provision of this Act is declared  
2           unconstitutional or invalid, other parts or provisions hereof not affected thereby shall  
3           continue to be in full force and effect.

4           **SEC. 7. *Repealing Clause.*** – All laws, decrees, rules and regulations inconsistent  
5           with the provisions of this Act are hereby repealed, amended or modified accordingly.

6           **SEC. 8. *Effectivity.*** – This Act shall take effect fifteen (15) days following its  
7           publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

*Approved,*