EXPLANATORY NOTE

Article XIV, Section 5 of the 1987 Constitution sought to “ensure that teaching will attract and retain its rightful share of the best available talents through adequate remuneration and other means of job satisfaction and fulfilment.” Likewise, Republic Act No. 4670, otherwise known as the Magna Carta for Public School Teachers, provided for the promotion and improvement of the overall wellbeing of our school teachers, so that they may “compare favorably with existing opportunities in other walks of life and to attract and retain in the teaching profession more people with the proper qualifications.”

The abovementioned principles have always been the legal cornerstone of every raging debate regarding the salary hike for public school teachers. Much has been said—and rightfully so—about their plight, who despite their noble profession, has continued to languish on the brink of destitution because of deficient compensation. Granted that teachers’ salaries have seen marked improvements over time, and with the numerous benefits that are already provided for and supposedly, enjoyed by teachers, their conditions remain far from optimal. As a consequence, teaching professionals have become part of the on-going brain drain phenomenon in the country, while others decidedly gave up the profession.

While this representation recognizes the relatively bleak reality of being a public school teacher in the country, it is also well aware of the fiscal strains that salary increases entail. For one, there is the issue of equitability of professions. Anticipation of salary increase for one profession would mean greater demand for salary increases in several others, making the matter at hand not only fiscally strenuous, but morally contentious. Secretary of Education, Leonor Briones, estimated that a P5000.00 across the board increase for an 830,000 strong teaching force will require an additional P75 billion annually. Such a huge sum will obviously take a toll on the fiscal health of the country.

Seeking to strike a balance between providing for our teachers a quality of life they truly deserve and practicing the fiscal discipline required so as not to compromise the integrity of other equally important government services and functions, this bill is proposed. Under this Act, public
school teachers with the ranks of Teacher I, II, and III shall be given tax relief to provide them greater financial leeway to maintain a decent standard of living.

Improving the lot of our public school teachers is not a one-time endeavour. The salary increase for public school teachers shall never be out of the question, but it still has to be equitable and sustainable. Tax relief and the effective and efficient dispensation of the benefits due to them is preferable and by far, more manageable. A salary increase is in order if the government has the means to do so, but for now, we have to think of alternative solutions to address this glaring problem.

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

Rep. Ramon V. Gulco III
AN ACT
EXEMPTING PUBLIC SCHOOL TEACHERS FROM INCOME TAX, AMENDING FURTHER FOR THIS PURPOSE SECTIONS 22 AND 24(A)(2) OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED BY REPUBLIC ACT NO. 9504

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

SECTION 1. Section 22 of Republic Act No. 8424, otherwise known as the National Internal Revenue Code of 1997, as amended by Republic Act No. 9504, shall hereby be amended further by adding the following definitions after Subsection (HH) to read as follows:

“(A) xxx.

“(HH) xxx.

“(II) THE TERMS ‘TEACHER I, TEACHER II, AND TEACHER III’ SHALL REFER TO THE BASIC CLASSROOM TEACHER POSITIONS IN PUBLIC ELEMENTARY AND SECONDARY SCHOOLS AS DEFINED BY THE DEPARTMENT OF EDUCATION (DEPED).

“(JJ) THE TERM ‘PUBLIC SCHOOL’ SHALL REFER TO EDUCATIONAL INSTITUTIONS ESTABLISHED, ADMINISTERED, AND MAINTAINED BY THE GOVERNMENT AT THE PUBLIC’S EXPENSE.

SEC. 2. Section 24(A)(2) of Republic Act No. 8424, otherwise known as the National Internal Revenue Code of 1997, as amended by Republic Act No. 9504, shall hereby be further amended to read as follows:

“SEC. 24. Income Tax Rates. –

“(A) Rates of Income Tax on Individual Citizen and Individual Resident Alien of the Philippines. –
“(1) xxx:

“(2) xxx

"Provided, That minimum wage earners as defined in Section 22 (HH) of this Code AND PUBLIC SCHOOL TEACHERS WITH THE RANKS OF TEACHER I, II, AND III AS DEFINED IN SECTION 22 (II) OF THIS CODE shall be exempt from the payment of income tax on their taxable income: Provided, further, That the holiday pay, overtime pay, night shift differential pay and hazard pay received by such minimum wage earners shall likewise be exempt from income tax.

SEC. 3. Separability Clause. – If any part or provision of this Act is declared invalid or unconstitutional, the other parts not otherwise affected shall remain in full effect and force.

SEC. 4. Repealing Clause.—All laws, decrees, executive orders or parts thereof inconsistent with the provisions of this Act is hereby repealed or modified accordingly.

SEC. 5. Effectivity. – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,