

Republic of the Philippines
HOUSE OF REPRESENTATIVES
CONGRESS OF THE PHILIPPINES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

7523
House Bill No. _____



Introduced by Honorable ALFONSO V. UMALI JR.

EXPLANATORY NOTE

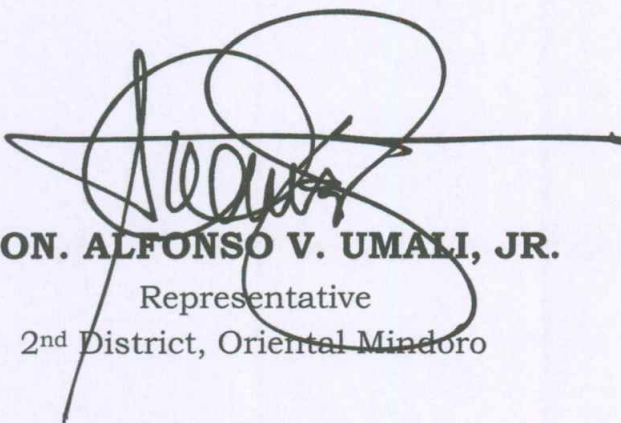
As we know, this New Corona Virus Disease (Covid 19) pandemic is an unprecedented crisis which ravages our health system and brings our economy down to the knees.

Amidst all the uncertainties brought by the pandemic and armed with nothing but might and grit, our health workers, police and military officers, social workers, civil defense personnel, researchers, essential services providers, and others who we collectively call as “frontliners,” continue to serve our people. They are our heroes. Being in the forefront of this battle is never an easy task. Fulfilling this task means risking not only their own lives, but also those of their families.

Certainly, no amount of money can ever compensate their efforts to be of service to the nation and commitment to fight and win this battle. While some of these “frontliners” may be receiving measly amount of “hazard pay” for each day of tireless service and pure hard work, such amount is even subject to income taxes as provided under the National Internal Revenue Code, as amended by Republic Act No. 10963, otherwise known as the “TRAIN Law.”

This Bill seeks to exclude the “hazard pay” earned by our frontliners during or on occasion of national emergencies in the computation of their gross income, thereby exempting the same from income taxes, as manifestation of the government’s appreciation and recognition of their contribution in our fight against this pandemic and every national emergencies we might face in the future.

In view thereof, early consideration and approval of this bill is earnestly sought.



HON. ALFONSO V. UMALI, JR.
Representative
2nd District, Oriental Mindoro

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**“AN ACT EXCLUDING THE HAZARD PAY
EARNED DURING OR ON OCCASION OF A
NATIONAL EMERGENCY IN THE
COMPUTATION OF GROSS INCOME,
THEREBY AMENDING SECTION 9 OF
REPUBLIC ACT NO. 10963, OTHERWISE KNOWN AS
THE TAX REFORM FOR ACCELERATION AND INCLUSION
(TRAIN) LAW”**

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

SECTION 1. Section 9 of Republic Act No. 10963, otherwise known as the “Tax Reform for Acceleration and Inclusion (TRAIN) Law,” is hereby amended as follows:

“Section 9. Section 32 of the NIRC, as amended, is hereby further amended to read as follows:

“Sec. 32. *Gross Income* -

“(A) *General Definition* - x x x

“(B) *Exclusions from Gross Income.* - x x x

“(1) x x x

“(7) *Miscellaneous Items* -

“(a) x x x

“(f) Hazard Pay earned during or on occasion of a
National Emergency”

SECTION 2. For purposes of this Act, "Hazard Pay" shall mean such amount which particular persons are entitled to receive pursuant to a lawful issuance or order of a competent authority on occasion of a National Emergency.

SECTION 3. Within the period of thirty (30) days from the effectivity of this Act, the Bureau of Internal Revenue shall promulgate the necessary rules and regulations for its effective implementation.

SECTION 4. This Act shall take effect after fifteen (15) days from its publication in the Official Gazette or in any newspaper of general circulation.

Approved.