

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 9812



Introduced by **HON. JOY MYRA S. TAMBUNTING**

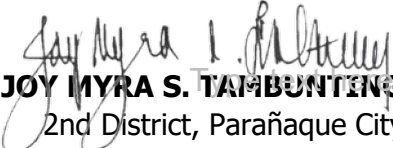
EXPLANATORY NOTE

This measure is proposed in recognition of the constitutional mandate of the State to protect and promote the right of all citizens to quality education at all levels. Consistent with this mandate, it is the duty of the State to take appropriate steps to make quality education accessible to all.

This measure seeks to exempt the sale of books, newspapers, magazines, journals, reviews, bulletins and other educational or learning materials made or published in digital or electronic format from value-added tax.

With the shift to blended learning, more and more educational institutions have adopted the use of digital and electronic learning materials in classes. Whilst digital learning materials are handy, eco-friendly and space-saving, these materials unfortunately can be more expensive to download than buying printed formats as e-books are not VAT exempt. Presently, printed publications, newspapers, magazines, reviews or bulletin are exempt from VAT under the Section 109 of the National Internal Revenue Code of 1997—making them more affordable and accessible to the public, especially to students and researchers. What this measure proposes is to apply the same exemption to learning materials in digital or electronic formats.

On behalf of the people of Parañaque City's Second District, and for the common good of the Filipino people, the approval of the said measure is earnestly sought.


REP. JOY MYRA S. TAMBUNTING
2nd District, Parañaque City

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AN ACT
EXEMPTING BOOKS, NEWSPAPERS, MAGAZINES, JOURNALS, REVIEWS, BULLETINS
AND OTHER EDUCATIONAL OR LEARNING MATERIALS MADE OR PUBLISHED IN
DIGITAL OR ELECTRONIC FORMAT FROM VALUE-ADDED TAX, AMENDING FOR THE
PURPOSE SECTION 109 (1) OF THE NATIONAL INTERNAL REVENUE CODE OF 1997,
AS AMENDED

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

Section 1. A new subparagraph is hereby inserted after subparagraph (AA) of Section 109 (1) of the National Internal Revenue Code of 1997, as amended, to read as follows:

“SEC. 109. Exempt Transactions. –

- 1) Subject to the provisions of Subsection (2) hereof, the following transactions shall be exempt from the value-added tax:

“(A) xxx;

“xxx

“(BB) **SALE OF BOOKS, NEWSPAPERS, MAGAZINES, JOURNALS, REVIEWS, BULLETINS AND OTHER EDUCATIONAL OR LEARNING MATERIALS MADE OR PUBLISHED IN DIGITAL OR ELECTRONIC FORMAT; AND**

Sec. 2. Subparagraph (BB) of Section 109 (1) of the same Code is amended to read as subparagraph (CC).

Sec. 3. Implementing Rules and Regulations. – The Secretary of Finance, shall, upon the recommendation of the Commissioner of Internal Revenue, promulgate not later than thirty (30) days upon the effectivity of this Act the necessary rules and regulations for its effective implementation.

Sec. 4. Repealing Clause. – All laws, acts, presidential decrees, executive orders, issuances, presidential proclamations, rules and regulations or parts thereof which are contrary to and inconsistent with any provision of this Act are hereby repealed, amended or modified accordingly.

Sec. 5. Effectivity. – This Act shall take effect fifteen (15) days after its complete publication either in the Official Gazette, or in at least two (2) newspapers of general circulation.

Approved,