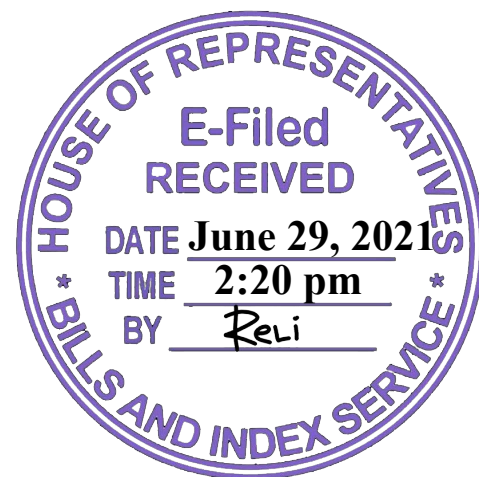


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
SECOND REGULAR SESSION



COMMITTEE REPORT NO. 1060

Submitted by the Committee on Ways and Means on June 29, 2021
Re : House Bill No. 9652

Recommending its approval in substitution of House Bills Numbered 225, 5485 and 9218

Sponsors: Representatives Joey Sarte Salceda and France L. Castro

Mr. Speaker:

The Committee on Ways and Means to which were referred:

House Bill No. 225 introduced by Representatives France L. Castro, Carlos Isagani T. Zarate, Ferdinand Gaite, Eufemia C. Cullamat, Arlene D. Brosas and Sarah Jane I. Elago, entitled:

“AN ACT EXEMPTING FROM INCOME TAXATION ALL AMOUNTS GRANTED TO PERSONS RENDERING ELECTION SERVICE FOR LOCAL AND NATIONAL ELECTIONS;”

House Bill No. 5485 introduced by Representative Luisa Lloren Cuaresma, entitled:

“AN ACT PROVIDING INCOME TAX EXEMPTION TO COMPENSATION OF TEACHERS SERVING AS MEMBERS OF THE ELECTORAL BOARD FOR NATIONAL OR LOCAL ELECTIONS;” and

House Bill No. 9218 introduced by Representative Johnny Pimentel, entitled:

“AN ACT EXEMPTING FROM INCOME TAX COMPENSATION THE HONORARIA AND ALLOWANCES GIVEN TO TEACHERS FOR SERVING AS MEMBERS OF THE ELECTORAL BOARD FOR LOCAL OR NATIONAL ELECTIONS”

has considered the same and recommends that the attached House Bill No. 9652, entitled:

“AN ACT EXEMPTING FROM INCOME TAXATION THE HONORARIA, ALLOWANCES, AND OTHER FINANCIAL BENEFITS OF PERSONS RENDERING SERVICE DURING AN ELECTION PERIOD, AMENDING FOR THE PURPOSE SECTION 32 (B) (7) OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED”

be approved in substitution of House Bills Numbered 225, 5485 and 9218 with Representatives Joey Sarte Salceda, France L. Castro, Carlos Isagani T. Zarate, Luisa Lloren Cuaresma, Johnny Pimentel, Ferdinand Gaité, Eufemia C. Cullamat, Arlene D. Brosas, Sarah Jane I. Elago, Arnie B. Fuentebella, Joy Myra S. Tambunting, Teodorico T. Haresco, Jr., Jose “Jun” L. Ong, Jr., Sergio C. Dagooc, Jose Gay G. Padiernos, Estrellita B. Suansing, Horacio P. Suansing, Jr., Junie E. Cua, Rufus B. Rodriguez, John Marvin “Yul Servo” C. Nieto, Rose Marie “Baby” J. Arenas, Jericho Jonas B. Nograles, Jose “Ping-Ping” I. Tejada, Pablo John “PJ” F. Garcia, Mark O. Go, Micaela S. Violago, Rico B. Geron, Sabiniano S. Canama, Jose Enrique “Joet” S. Garcia, III, Sharon S. Garin, Adriano A. Ebcas, Deogracias Victor “DV” B. Savellano, Jake Vincent Villa, Joseph Stephen “Caraps” S. Paduano, Michael B. Gorriceta, Anthony Peter “Onyx” D. Crisologo, Virgilio S. Lacson, Wilton “Tonton” Tan Kho, Jumel Anthony I. Espino, Loren Legarda, Cheryl P. Deloso-Montalla, Lawrence Lemuel H. Fortun, Faustino Michael Carlos T. Dy, III, Ronnie L. Ong, Ria Christina G. Fariñas, Sonny “SL” L. Lagon, Alfel M. Bascug, Janice Z. Salimbangon, Jesus “Bong” C. Suntay, Joaquin M. Chipeco, Jr., Weslie Gatchalian, Joselito “Joel” S. Sacdalan, Juliette T. Uy, Divina Grace C. Yu, Strike B. Revilla, Angelina “Helen” D.L. Tan, Evelina G. Escudero, Aleta C. Suarez and Manuel Jose “Mannix” M. Dalipe as authors.

Respectfully submitted,



JOEY SARTE SALCEDA

Chairperson

Committee on Ways and Means

**THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY**

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 9652

(in substitution of House Bills Numbered 225, 5485, and 9218)

Introduced by Representatives Joey Sarte Salceda, France L. Castro, Carlos Isagani T. Zarate, Luisa Lloren Cuaresma, Johnny Pimentel, Ferdinand Gaité, Eufemia C. Cullamat, Arlene D. Brosas, Sarah Jane I. Elago, Arnie B. Fuentebella, Joy Myra S. Tambunting, Teodorico T. Haresco, Jr., Jose “Jun” L. Ong, Jr., Sergio C. Dagooc, Jose Gay G. Padiernos, Estrellita B. Suansing, Horacio P. Suansing, Jr., Junie E. Cua, Rufus B. Rodriguez, John Marvin “Yul Servo” C. Nieto, Rose Marie “Baby” J. Arenas, Jericho Jonas B. Nograles, Jose “Ping-Ping” I. Tejada, Pablo John “PJ” F. Garcia, Mark O. Go, Micaela S. Violago, Rico B. Geron, Sabiniano S. Canama, Jose Enrique “Joet” S. Garcia, III, Sharon S. Garin, Adriano A. Ebcas, Deogracias Victor “DV” B. Savellano, Jake Vincent Villa, Joseph Stephen “Caraps” S. Paduano, Michael B. Gorriceta, Anthony Peter “Onyx” D. Crisologo, Virgilio S. Lacson, Wilton “Tonton” Tan Kho, Jumel Anthony I. Espino, Loren Legarda, Cheryl P. Deloso-Montalla, Lawrence Lemuel H. Fortun, Faustino Michael Carlos T. Dy, III, Ronnie L. Ong, Ria Christina G. Fariñas, Sonny “SL” L. Lagon, Alfel M. Bascug, Janice Z. Salimbangon, Jesus “Bong” C. Suntay, Joaquin M. Chipeco, Jr., Weslie Gatchalian, Joselito “Joel” S. Sacdalan, Juliette T. Uy, Divina Grace C. Yu, Strike B. Revilla, Angelina “Helen” D.L. Tan, Evelina G. Escudero, Aleta C. Suarez and Manuel Jose “Mannix” M. Dalipe

“AN ACT
EXEMPTING FROM INCOME TAXATION THE HONORARIA,
ALLOWANCES, AND OTHER FINANCIAL BENEFITS OF PERSONS
RENDERING SERVICE DURING AN ELECTION PERIOD, AMENDING
FOR THE PURPOSE SECTION 32 (B) (7) OF THE NATIONAL INTERNAL
REVENUE CODE OF 1997, AS AMENDED”

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

- 1 **SECTION 1.** Section 32(B)(7) of the National Internal Revenue Code of 1997, as
2 amended, is hereby further amended to read as follows:

1 “Section 32. Gross Income. –

2 (A) General Definition. - x x x

3 (B) Exclusions from Gross Income. - x x x

4 (1) x x x

5 (7) Miscellaneous Items. –

6 (a) x x x

7 (I) HONORARIA, TRAVEL ALLOWANCE, AND
8 SUCH OTHER BENEFITS AS MAY BE GRANTED BY
9 THE COMMISSION ON ELECTIONS (COMELEC) TO
10 PERSONS RENDERING ELECTION SERVICE
11 PURSUANT TO SECTION 4 OF REPUBLIC ACT NO.
12 10756, OTHERWISE KNOWN AS THE ‘ELECTION
13 SERVICE REFORM ACT’”

14 **SEC. 2. *Implementing Rules and Regulations.*** - The Department of Finance shall,
15 in consultation with the Commission on Elections and the Department of Education,
16 promulgate rules and regulations to implement the provisions of this Act within sixty (60)
17 days from its effectivity.

18 **SEC. 4. *Separability Clause.*** - If any portion or provision of this Act is declared
19 void and unconstitutional, the remaining portions or provisions hereof shall not be affected by
20 such declaration.

21 **SEC. 3. *Repealing Clause.*** – All laws, decrees, rules and regulations, and other
22 issuances inconsistent with this Act are hereby repealed or modified accordingly.

23 **SEC. 5. *Effectivity Clause.*** – This Act shall take effect after fifteen (15) days
24 following its complete publication either in the *Official Gazette* or in a newspaper of general
25 circulation.

26 Approved,

House of Representatives
Committee Affairs Department

FACT SHEET

House Bill No. 9652

(in substitution of House Bills Numbered 225, 5485 and
9218)

“AN ACT

**EXEMPTING FROM INCOME TAXATION THE HONORARIA,
ALLOWANCES, AND OTHER FINANCIAL BENEFITS OF PERSONS RENDERING
SERVICE DURING AN ELECTION PERIOD, AMENDING FOR THE PURPOSE SECTION
32 (B) (7) OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED**

Introduced by: Representatives Joey Sarte Salceda, France L. Castro, Carlos Isagani T. Zarate, Luisa Lloren Cuaresma, Johnny Pimentel, Ferdinand Gaite, Eufemia C. Cullamat, Arlene D. Brosas, Sarah Jane I. Elago, Arnie B. Fuentebella, Joy Myra S. Tambunting, Teodorico T. Haresco, Jr., Jose “Jun” L. Ong, Jr., Sergio C. Dagooc, Jose Gay G. Padiernos, Estrellita B. Suansing, Horacio P. Suansing, Jr., Junie E. Cua, Rufus B. Rodriguez, John Marvin “Yul Servo” C. Nieto, Rose Marie “Baby” J. Arenas, Jericho Jonas B. Nograles, Jose “Ping-Ping” I. Tejada, Pablo John “PJ” F. Garcia, Mark O. Go, Micaela S. Violago, Rico B. Geron, Sabiniano S. Canama, Jose Enrique “Joet” S. Garcia, III, Sharon S. Garin, Adriano A. Ebcas, Deogracias Victor “DV” B. Savellano, Jake Vincent Villa, Joseph Stephen “Caraps” S. Paduano, Michael B. Gorriceta, Anthony Peter “Onyx” D. Crisologo, Virgilio S. Lacson, Wilton “Tonton” Tan Kho, Jumel Anthony I. Espino, Loren Legarda, Cheryl P. Deloso-Montalla, Lawrence Lemuel H. Fortun, Faustino Michael Carlos T. Dy, III, Ronnie L. Ong, Ria Christina G. Fariñas, Sonny “SL” L. Lagon, Alfel M. Bascug, Janice Z. Salimbangon, Jesus “Bong” C. Suntay, Joaquin M. Chipeco, Jr., Weslie Gatchalian, Joselito “Joel” S. Sacdalan, Juliette T. Uy, Divina Grace C. Yu, Strike B. Revilla, Angelina “Helen” D.L. Tan, Evelina G. Escudero, Aleta C. Suarez and Manuel Jose “Mannix” M. Dalipe

Committee Referral: **COMMITTEE ON WAYS AND MEANS**

Committee Chairperson: **REP. JOEY SARTE SALCEDA**

OBJECTIVE:

- To acknowledge the service of persons hired by the Commission on Elections during the election period by exempting from the income tax requirement the honoraria, allowances, and other financial benefits granted by the Commission to them

KEY PROVISION:

- Exempts the honoraria, travel allowance and such other benefits granted to persons rendering election service from the computation of individual tax income by including it among the allowable exclusions under Section 32 (B) (7) of the National Internal Revenue Code (NIRC) of 1997, as amended.

RELATED LAWS:

- RA No. 10756, otherwise known as the “Election Service Reform Act”; and
- RA No. 8424, otherwise known as the NIRC of 1997, as amended.