



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

EIGHTEENTH CONGRESS
Third Regular Session



COMMITTEE REPORT NO. 1134

Submitted by the Committee on Ways and Means on August 17, 2021

Re: House Bill No. 9990

Recommending its approval in substitution of House Bills No. 9888, 9891, and 9899, and House Resolution No. 2040

Sponsors: Representatives Joey Sarte Salceda and Sharon S. Garin

Mr. Speaker:

The Committee on Ways and Means to which was referred House Bill No. 9888, introduced by Representative Precious Hipolito Castelo, entitled:

“AN ACT EXEMPTING ALL DONATIONS GIVEN BY REASON OF LOCAL AND INTERNATIONAL SPORTS TOURNAMENTS AND COMPETITIONS FROM THE PAYMENT OF DONOR’S TAXES, INCLUDING THOSE FROM PRIVATE ENTITIES, AMENDING FOR THE PURPOSE SECTION 1 OF REPUBLIC ACT NO. 7549”;

House Bill No. 9891, introduced by Representative Joey Sarte Salceda, entitled:

“AN ACT EXEMPTING MONETARY DONATIONS AND REWARDS IN FAVOR OF NATIONAL ATHLETES AND COACHES FROM TAXES, AMENDING FOR THE PURPOSE SECTION 4 OF REPUBLIC ACT NO. 10699”;

House Bill No. 9899, introduced by Representatives Rodolfo M. Ordanes and Rodante D. Marcoleta, entitled:

“AN ACT EXEMPTING ALL INCENTIVES, BENEFITS, GIFTS, AND OTHER EMOLUMENTS GIVEN TO NATIONAL ATHLETES BY REASON OF WINNING AN INTERNATIONAL SPORTS COMPETITION FROM THE PAYMENT OF INCOME, AND OTHER FORMS OF TAXES, AND FOR OTHER PURPOSES”; and

House Resolution No. 2040, introduced by Representatives Michael L. Romero, Ph.D. and Enrico A. Pineda, entitled:

“A RESOLUTION RESPECTFULLY URGING THE BUREAU OF INTERNAL REVENUE AND OTHER APPROPRIATE GOVERNMENT AGENCIES TO EXEMPT THE AWARDS, GIFTS AND INCENTIVES GIVEN TO THE NATION’S FIRST OLYMPIC GOLD MEDALIST, SGT. HIDILYN FRANCISCO DIAZ, FROM ANY AND ALL TAXES”

has considered the same and recommends that the attached House Bill No. 9990, entitled:

“AN ACT EXEMPTING INCENTIVES, REWARDS, BONUSES AND OTHER FORMS OF EMOLUMENTS RECEIVED BY NATIONAL ATHLETES AND COACHES FROM TAXES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 10699, OTHERWISE KNOWN AS THE ‘NATIONAL ATHLETES AND COACHES BENEFITS AND INCENTIVES ACT’”

be approved in substitution of House Bills No. 9888, 9891, 9899, and House Resolution No. 2040, with Representatives Lord Allan Jay Q. Velasco, Joey Sarte Salceda, Faustino Michael Carlos T. Dy III, Precious Hipolito Castelo, Rodolfo M. Ordanes, Rodante D. Marcoleta, Michael L. Romero, Ph.D., Enrico A. Pineda, Estrellita B. Suansing, Sharon S. Garin, Rufus B. Rodriguez, Jericho Jonas B. Nograles, Anthony Peter “Onyx” D. Crisologo, Sarah Jane I. Elago, Horacio P. Suansing, Jr., Joy Myra S. Tambunting, Michael B. Gorriceta, Loren Legarda, Strike B. Revilla, Sergio C. Dagooc, Joselito “Joel” S. Sacdalan, Rudy S. Caoagdan, DPA, Jumel Anthony I. Espino, Lorenz R. Defensor, Divina Grace C. Yu, Janice Z. Salimbangon, Lawrence Lemuel H. Fortun, Marlyn “Len” B. Alonte, Gerardo “Gerryboy” J. Espina, Jr., Jose “Ping-Ping” I. Tejada, Mark O. Go, Ronnie L. Ong, Weslie Gatchalian, Pablo John F. Garcia, Arnie B. Fuentesbella, Micaela S. Violago, Jose L. Atienza, Jr., Alfel M. Bascug, Sonny “SL” L. Lagon, Angelina “Helen” D.L. Tan, M.D., Wilton “Tonton” Tan Kho, Roberto V. Puno, Alan I B. Ecleo, Cheryl P. Deloso-Montalla, Allan Benedict S. Reyes, Deogracias Victor “DV” B. Savellano, Jose “Jun” L. Ong, Jr., Ria Christina G. Fariñas, Aleta C. Suarez, Teodorico T. Haresco, Jr., Joaquin M. Chipeco, Jr., Jesus “Bong” C. Suntay, Rose Marie “Baby” J. Arenas, Adriano A. Ebcas, Jake Vincent Villa, Mario Vittorio “Marvey” A. Mariño, Jose Gay G. Padiernos, Evelina G. Escudero, Ruffy B. Biazon, Rico B. Geron, Ron P. Salo, Arlene D. Brosas, Tyrone D. Agabas, Virgilio S. Lacson, Kristine Singson-Meehan, Raneo “Ranie” E. Abu, Eduardo “Eddie” R. Gullas and Alyssa Sheena P. Tan 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, Metro Manila

EIGHTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 9990

(in substitution of House Bills No. 9888, 9891, 9899 and House Resolution No. 2040)

Introduced by Representatives Lord Allan Jay Q. Velasco, Joey Sarte Salceda, Faustino Michael Carlos T. Dy III, Precious Hipolito Castelo, Rodolfo M. Ordanes, Rodante D. Marcoleta, Michael L. Romero, Ph.D., Enrico A. Pineda, Estrellita B. Suansing, Sharon S. Garin, Rufus B. Rodriguez, Jericho Jonas B. Nograles, Anthony Peter “Onyx” D. Crisologo, Sarah Jane I. Elago, Horacio P. Suansing, Jr., Joy Myra S. Tambunting, Michael B. Gorriceta, Loren Legarda, Strike B. Revilla, Sergio C. Dagooc, Joselito “Joel” S. Sacdalan, Rudy S. Caoagdan, DPA, Jumel Anthony I. Espino, Lorenz R. Defensor, Divina Grace C. Yu, Janice Z. Salimbangon, Lawrence Lemuel H. Fortun, Marlyn “Len” B. Alonte, Gerardo “Gerryboy” J. Espina, Jr., Jose “Ping-Ping” I. Tejada, Mark O. Go, Ronnie L. Ong, Weslie Gatchalian, Pablo John F. Garcia, Arnie B. Fuentesbella, Micaela S. Violago, Jose L. Atienza, Jr., Alfel M. Bascug, Sonny “SL” L. Lagon, Angelina “Helen” D.L. Tan, M.D., Wilton “Tonton” Tan Kho, Roberto V. Puno, Alan I. B. Ecleo, Cheryl P. Deloso-Montalla, Allan Benedict S. Reyes, Deogracias Victor “DV” B. Savellano, Jose “Jun” L. Ong, Jr., Ria Christina G. Fariñas, Aleta C. Suarez, Teodorico T. Haresco, Jr., Joaquin M. Chipeco, Jr., Jesus “Bong” C. Suntay, Rose Marie “Baby” J. Arenas, Adriano A. Ebcas, Jake Vincent Villa, Mario Vittorio “Marvey” A. Mariño, Jose Gay G. Padiernos, Evelina G. Escudero, Ruffy B. Biazon, Rico B. Geron, Ron P. Salo, Arlene D. Brosas, Tyrone D. Agabas, Virgilio S. Lacson, Kristine Singson-Meehan, Raneo “Ranie” E. Abu, Eduardo “Eddie” R. Gullas and Alyssa Sheena P. Tan

AN ACT

EXEMPTING INCENTIVES, REWARDS, BONUSES AND OTHER FORMS OF EMOLUMENTS RECEIVED BY NATIONAL ATHLETES AND COACHES FROM TAXES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 10699, OTHERWISE KNOWN AS THE “NATIONAL ATHLETES AND COACHES BENEFITS AND INCENTIVES ACT”

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 “*Hidilyn Diaz Act*”.

2 **SEC. 2. *Declaration of Principle.*** – The State shall give priority to sports to foster
3 patriotism and nationalism, accelerate social progress, and promote total human liberation and
4 development. Towards this end, the State shall look after the welfare of national athletes and

1 coaches by providing benefits and incentives for qualified athletes and coaches who compete
2 or win in international sports competitions and bring honor and recognition to the country.

3 **SEC. 3.** A new Section, designated as Section 4-A, is hereby inserted in Republic Act
4 No. 10699, otherwise known as the “*National Athletes and Coaches Benefits and Incentives*
5 *Act*”, to read as follows:

6 **“SEC. 4-A. EXEMPTION FROM TAXES OF INCENTIVES,**
7 **REWARDS, BONUSES AND OTHER FORMS OF EMOLUMENTS**
8 **RECEIVED BY COMPETING OR WINNING NATIONAL ATHLETES**
9 **AND COACHES. - ALL INCENTIVES, REWARDS, BONUSES AND**
10 **OTHER FORMS OF EMOLUMENTS, AS WELL AS DONATIONS,**
11 **GIFTS, ENDOWMENTS AND CONTRIBUTIONS, WHETHER FROM**
12 **PUBLIC OR PRIVATE PERSONS OR ENTITIES, RECEIVED BY**
13 **NATIONAL ATHLETES WHO COMPETE OR WIN IN**
14 **INTERNATIONAL SPORTS COMPETITIONS AS DEFINED IN THIS**
15 **ACT, INCLUDING THOSE RECEIVED BY THEIR RESPECTIVE**
16 **COACHES, SHALL BE EXEMPT FROM ANY AND ALL NATIONAL**
17 **OR LOCAL TAXES, FEES AND CHARGES, SUBJECT TO RULES**
18 **AND REGULATIONS TO BE ISSUED BY THE SECRETARY OF**
19 **FINANCE, AS RECOMMENDED BY THE COMMISSIONER OF**
20 **INTERNAL REVENUE: PROVIDED, HOWEVER, THAT DONATIONS,**
21 **GIFTS, ENDOWMENTS AND CONTRIBUTIONS MADE PRIOR TO**
22 **THE COMPETITION ITSELF AND DIRECTLY AND EXCLUSIVELY**
23 **USED TO FUND TRAINING AND COMPETITION-RELATED**
24 **EXPENSES, AS WELL AS INCENTIVES, REWARDS, BONUSES AND**
25 **OTHER FORMS OF EMOLUMENTS RECEIVED BY COMPETING**

1 **OR WINNING NATIONAL ATHLETES AND COACHES, SHALL BE**
2 **CONSIDERED AS ALLOWABLE DEDUCTIONS FROM GROSS**
3 **INCOME FOR PURPOSES OF COMPUTING THE TAXABLE**
4 **INCOME OF THE DONOR IN ACCORDANCE WITH THE**
5 **PROVISIONS OF THE NATIONAL INTERNAL REVENUE CODE OF**
6 **1997, AS AMENDED.**

7 **THE EXEMPTION FROM DONOR'S TAX AND**
8 **DEDUCTIBILITY FROM GROSS INCOME PROVIDED HEREIN MAY**
9 **BE AVAILED OF WITHIN ONE (1) YEAR BEFORE THE**
10 **COMMENCEMENT OF THE INTERNATIONAL SPORTS**
11 **COMPETITION WHERE THE NATIONAL ATHLETE WILL**
12 **COMPETE IN, AS CERTIFIED BY THE RESPECTIVE BODIES THAT**
13 **ACCREDITED THEM AND THEIR COACHES, WHICH MAY BE THE**
14 **PHILIPPINE SPORTS COMMISSION, PHILIPPINE OLYMPIC**
15 **COMMITTEE, OR THE NATIONAL PARALYMPIC COMMITTEE OF**
16 **THE PHILIPPINES, AND WITHIN THREE (3) MONTHS AFTER THE**
17 **INTERNATIONAL SPORTS COMPETITION.**

18 **THE EXEMPTIONS AND PRIVILEGES PROVIDED HEREIN**
19 **SHALL TAKE EFFECT ON JANUARY 1, 2021 AND SHALL NOT BE**
20 **AVAILED IN LIEU OF ANY TAX EXEMPTION OR PRIVILEGE**
21 **GRANTED UNDER EXISTING LAWS.”**

22 **SEC. 4. *Implementing Rules and Regulations.*** – Within thirty (30) days from the
23 effectivity of this Act, the Department of Finance shall, upon recommendation by the Bureau
24 of Internal Revenue, promulgate rules and regulations for the effective implementation of this

1 Act: *Provided*, That failure to promulgate said rules and regulations shall not prevent the
2 implementation of the provisions of this Act.

3 **SEC. 5. *Repealing Clause.*** – All laws, decrees, executive orders, rules and regulations
4 or parts thereof which are contrary to or inconsistent with any provisions of this Act are hereby
5 repealed, amended, or modified accordingly.

6 **SEC. 6. *Separability Clause.*** – If any provision or part of this Act is declared
7 unconstitutional and invalid, the remaining parts or provisions not affected shall remain in full
8 force and effect.

9 **SEC. 7. *Effectivity.*** – This Act shall take effect after fifteen (15) days following its
10 complete publication in the *Official Gazette* or in a newspaper of general circulation.

11 *Approved,*

House of Representatives
Committee Affairs Department

FACT SHEET

House Bill No. 9990

(in substitution of House Bills No. 9888, 9891, 9899 and House Resolution No. 2040)

“AN ACT EXEMPTING INCENTIVES, REWARDS, BONUSES AND OTHER FORMS OF EMOLUMENTS RECEIVED BY NATIONAL ATHLETES AND COACHES FROM TAXES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 10699, OTHERWISE KNOWN AS THE ‘NATIONAL ATHLETES AND COACHES BENEFITS AND INCENTIVES ACT’”

Introduced by: REPRESENTATIVES LORD ALLAN JAY Q. VELASCO, JOEY SARTE SALCEDA, FAUSTINO MICHAEL CARLOS T. DY III, PRECIOUS HIPOLITO CASTELO, RODOLFO M. ORDANES, RODANTE D. MARCOLETA, MICHAEL L. ROMERO, PH.D., ENRICO A. PINEDA, ESTRELLITA B. SUANSING, SHARON S. GARIN, RUFUS B. RODRIGUEZ, JERICHO JONAS B. NOGRALES, ANTHONY PETER “ONYX” D. CRISOLOGO, SARAH JANE I. ELAGO, HORACIO P. SUANSING, JR., JOY MYRA S. TAMBUNTING, MICHAEL B. GORRICETA, LOREN LEGARDA, STRIKE B. REVILLA, SERGIO C. DAGOOC, JOSELITO “JOEL” S. SACDALAN, RUDY S. CAOAGDAN, DPA, JUMEL ANTHONY I. ESPINO, LORENZ R. DEFENSOR, DIVINA GRACE C. YU, JANICE Z. SALIMBANGON, LAWRENCE LEMUEL H. FORTUN, MARLYN “LEN” B. ALONTE, GERARDO “GERRYBOY” J. ESPINA, JR., JOSE “PING-PING” I. TEJADA, MARK O. GO, RONNIE L. ONG, WESLIE GATCHALIAN, PABLO JOHN F. GARCIA, ARNIE B. FUENTEBELLA, MICAELA S. VIOLAGO, JOSE L. ATIENZA, JR., ALFEL M. BASCUG, SONNY “SL” L. LAGON, ANGELINA “HELEN” D.L. TAN, M.D., WILTON “TONTON” TAN KHO, ROBERTO V. PUNO, ALAN 1 B. ECLEO, CHERYL P. DELOSO-MONTALLA, ALLAN BENEDICT S. REYES, DEOGRACIAS VICTOR “DV” B. SAVELLANO, JOSE “JUN” L. ONG, JR., RIA CHRISTINA G. FARIÑAS, ALETA C. SUAREZ, TEODORICO T. HARESCO, JR., JOAQUIN M. CHIPECO, JR., JESUS “BONG” C. SUNTAY, ROSE MARIE “BABY” J. ARENAS, ADRIANO A. EBCAS, JAKE VINCENT VILLA, MARIO VITTORIO “MARVEY” A. MARIÑO, JOSE GAY G. PADIERNOS, EVELINA G. ESCUDERO, RUFFY B. BIAZON, RICO B. GERON, RON P. SALO, ARLENE D. BROSAS, TYRONE D. AGABAS, VIRGILIO S. LACSON, KRISTINE SINGSON-MEEHAN, RANEO “RANIE” E. ABU, EDUARDO “EDDIE” R. GULLAS AND ALYSSA SHEENA P. TAN

Committee Referral: **COMMITTEE ON WAYS AND MEANS**
Committee Chairperson: **HON. JOEY SARTE SALCEDA**

OBJECTIVES:

- To acknowledge national athletes who compete and win in international sports competitions, and their respective coaches, by exempting from taxes, fees, and charges all incentives, rewards, bonuses, and other forms of emoluments received by them

KEY PROVISIONS:

- Exempts incentives, rewards, bonuses, and other forms of emoluments, as well as donations, gifts, endowments and contributions, from private or public persons or entities, received by national athletes who compete or win in international sports competition, including those received by their respective coaches, from any and all national or local taxes, fees, and charges;
- Requires that donations, gifts, endowments and contributions made prior to the competition itself be directly and exclusively used to fund training and competition-related expenses;
- Allows donations, gifts, endowments and contributions, as well as incentives, rewards, bonuses and other forms of emoluments, received by national athletes and their respective coaches as deductions from gross income for purposes of computing the taxable income of the donor;
- Qualifies the period of availing the exemption from donor's tax and deductibility from gross income within one (1) year before the commencement of the international sports competition where the national athlete will compete in, as certified by the Philippine Sports Commission, Philippine Olympic Committee, or the National Paralympic Committee, and within three (3) months after the international sports competition;
- Provides for the retroactivity of the tax exemptions to cover incentives, rewards, bonuses, and other emoluments, as well as donations, gifts, endowments, and contributions, received by national athletes and their respective coaches, beginning January 1, 2021; and
- Mandates the exemptions to be carried out without the issuance of pertinent Revenue Regulations by the Department of Finance, upon recommendation by the Bureau of Internal Revenue.

RELATED LAWS:

1. Republic Act No. 7549, otherwise known as "An Act Exempting All Prizes and Awards Gained from Local and International Sports Tournaments and Competitions from 'the Payment of Income and Other Forms of Taxes and for Other Purposes"
2. Republic Act No. 8424, as amended, otherwise known as the "National Internal Revenue Code of 1997"
3. Republic Act No. 10699, otherwise known as the "National Athletes and Coaches Benefits and Incentives Act"