

SENATE

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S. No. 453

REC-11



Introduced by SENATOR RAMON BONG REVILLA, JR.

**AN ACT
GRANTING TAX RELIEF TO PERSONS WITH DISABILITIES (PWDs), AND
FOR OTHER PURPOSES**

EXPLANATORY NOTE

The Tax Relief Act to Persons with Disability aims to aid PWDs in improving their quality of life by assisting them financially.


Persons with disability (PWDs) is an emerging sector within public health. PWDs account for around 1.57% of the national population according to the 2010 Census of the Philippine Statistics Authority.

As most of us know, PWDs are already faced with piling expenses that relate to addressing or maintaining their respective health issues.

This proposed bill seeks to alleviate their financial burdens by granting Persons with Disability an equitable form of tax relief to ensure not only their rehabilitation, self-development, and self-reliance, but also, their integration with the mainstream of society.

This special tax treatment to be granted to Persons with Disabilities does not seek to discriminate their circumstantial situation, but to identify a solution to improve their welfare and quality of living.

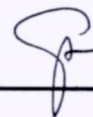
In view of the foregoing, the passage of this bill is earnestly recommended.


RAMON BONG REVILLA, JR.

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AN ACT
GRANTING TAX RELIEF TO PERSONS WITH DISABILITIES (PWDs), AND
FOR OTHER PURPOSES

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

1 Section 1. *Short Title.* – This Act shall be known as “Tax Relief for Persons with
2 Disabilities (PWDs) Act of 2019.”

3
4 *Sec. 2. Declaration of Policy.* – The State affirms the principle that disabled
5 persons are part of Philippine society. The State shall give full support to the
6 improvement of the total well-being of Persons with Disability (PWDs) and their
7 integration into the mainstream of society. Toward this end, the State shall adopt
8 policies ensuring the rehabilitation, self-development, and self-reliance of PWDs. It
9 shall aid in recognizing their skills and potentials to enable them to compete favorably
10 for available opportunities.

11
12 *Sec. 3. Definition of Terms.* – As used in this Act, the term “persons with
13 disabilities” shall refer to those suffering from restriction or different abilities, as a
14 result of a mental, physical or sensory impairment, to perform an activity in the
15 manner or within the range considered normal for a human being, as the term is used
16 in Republic Act No. 7277, or the Magna Carta for the Disabled Person.

17

1 Sec. 4. *Incentives.* - Persons with disabilities shall be entitled to the following
2 incentives:

3
4 (a) All allowances and benefits granted to disabled persons shall be excluded
5 from the computation of gross income and shall be exempt from taxation
6 under Republic Act. No. 8424, otherwise known as the "National Internal
7 Revenue Code of 1997";

8 (b) Twenty percent (20%) discount on the sale of goods and services on food,
9 clothing, transportation, medicine, medical services, dental services, and
10 other basic necessity from all the establishments for the exclusive use and
11 enjoyment of the person with disability. In the purchase of goods and
12 services which are on promotional discount, the person with disability can
13 avail of the establishment's offered discount or the 20% discount provided
14 herein, whichever is higher and more favorable; and

15 (c) A minimum of five percent (5%) discount relative to the monthly utilization
16 of water and electricity by households with persons with disabilities;
17 provided, further, that the monthly consumption does not exceed thirty
18 cubic meters (30m²) of water and one hundred kilowatt hours (100kwh) of
19 electricity; provided, furthermore, that the privilege is granted per
20 household regardless of the number of persons with disabilities residing
21 therein.

22
23 Sec. 5. *Tax Deduction.* – The establishment granting the discount under Section
24 4 (b) and (c) hereof may claim the discounts provided as tax deductions based on the
25 cost of the goods sold and services rendered; provided, that the cost of the discount
26 shall be allowed as deduction from the gross income for the same taxable year that
27 the discount is granted; provided, further, that the total amount of the claimed tax
28 deduction net of VAT, if applicable, shall be included in their gross sales receipts for
29 tax purposes and shall be subject to proper documentation and to the provisions of
30 the National Internal Revenue Code of 1997, as amended.

1 Sec. 6. *Implementation.* – The Bureau of Internal Revenue, in consultation with
2 all relevant government agencies shall issue the necessary rules and regulations for
3 the implementation of this Act.

4
5 Sec. 7. *Separability Clause.* - If any provision of this Act is declared
6 unconstitutional or invalid, the provisions not affected thereby shall continue to be in
7 full force and effect.

8
9 Sec. 8. *Repealing Clause.* - All laws, republic acts, presidential decrees, orders,
10 rules and regulations or other issuance of government agencies inconsistent with the
11 provisions of this Act are hereby repealed, amended, or modified accordingly.

12
13 Sec. 9. *Effectivity Clause.* - This Act shall take effect fifteen days after this
14 publication in the Official Gazette.

15
16 Approved,