

HONORABLE JOEY SARTE SALCEDA

Chairperson
Committee on Ways and Means
House of Representatives
Quezon City

Dear Representative SALCEDA,

The Department of Social Welfare and Development (DSWD) supports **House Bill No. 1701** (Reps. Horacio P. Suansing, Jr. and Mikaela Angela B. Suansing); **House Bill No. 2717** (Rep. Yedda Marie K. Romualdez and Jude A. Acidre); and **House Bill No. 2933** (Rep. Joseph L. Lara) that seek to provide tax relief in times of calamity for victims of calamity in order to assist them in easing their financial burdens towards early recovery.

We commend the authors in introducing these Bills showing their concern for the well-being of Filipinos who suffer during calamities.

To contribute to the bills' enhancement, the DSWD respectfully recommends the following:

1. To consolidate the three (3) Bills into one;
2. To replace "*victims of calamity*" to "*survivors of calamity*"
3. To provide the following **Sections**:
 - 3.1. **Declaration of Policy**;
 - 3.2. **Coverage**, to include human-induced disasters aside from the natural disasters as these also have impact to the lives and properties of affected population, like in the case of the Marawi City Siege that displaced many individuals/families/persons, caused death and destruction or damage to properties and the real properties to be covered;
 - 3.3. **Definition of Terms**, under this Section to define the following terms: Calamity, Tax Relief, Real Property, among others; and to replace the word "Calamity" to "Disasters" in reference to Republic Act (RA) No. 10121 or the "Philippine Disaster Risk Reduction and Management Act of 2010.";

- 3.4. **Eligibility** of the victims of calamity who may avail the tax relief and the real properties based on their area and usage;
 - 3.5. **Procedure or Mechanism** to avail the Tax Relief;
 - 3.6. **Penalties**, to impose penalties to any person e.g. those who will avail the Tax Relief pursuant to this Bill without prior notice of submission of requisite documents shall be liable to administrative or judicial action by the proper LGU with Republic Act No. 8424 or the Tax Reform Act of 1997 as its legal basis;
 - 3.7. **Monitoring** of the recovery of the LGUs and the real properties or the area affected by the calamity; and
 - 3.8. **Appropriations**, to provide budgetary allocation for the LGUs in the implementation of the Act.
4. On **HBNs 1701 and 2717, Section 1 and HBN 2933, Section 3. Calamity Defined**, consider making an entire section titled "Definition of Terms" and to include the definitions of calamity, tax relief, real property, etc.
 5. On **Section 3. Effects of Declaration of Calamity**
 - 5.1. Letter a. On Real Property Tax, the two (2) year period for tax relief in the assessment and collection of Real Property Tax may be detrimental to the LGU. We suggest to consider its economic implication on the IRA of the LGU; and
 - 5.2. Letter b, On Donations for Disaster Affected Community, *"any donation in the name of any licensed relief organization, not operated for profit, that declares that the funds donated shall be in favor of the victims of the calamity, shall be exempt from donor's tax. Provided, the donation is certified by the Department of Social Welfare and Development (DSWD) or the Department of Education (DepEd) or the Department of Health (DOH), as the case may be."*
 - 5.3. To look into the provision as it is more applicable to the Bureau of Customs and the Local Government Units.

The collection of taxes on the donations during emergencies and disaster, especially of international partners, falls under the task of the Bureau of Customs. The collection and imposition of taxes on real property is under the local units. The focus of the Bureau of Internal Revenue is more on the collection of taxes on the income taxpayers and business entities, sale of


real properties, donation of properties and estate taxes as per the National Internal Revenue Code.

- 5.4. To include the degree of the impact of the disaster as manifested by its damages and losses.
6. On **Section 3. Implementing Rules and Regulations**, to include the DILG, the DSWD, the NDRRMC and other tax collecting Bureaus, like the Bureau of Customs, Local Government Units, Bureau of Local Government Finance, and the like or to lodge it under the Department of Finance so they can properly delegate the implementation to the concerned offices in the drafting of the IRR.

This is being submitted for the Chairperson's information and consideration.

Thank you.

Very truly yours,


ERWIN T. TULFO
Secretary
Date: 16 SEP 2022

CF: Rep. Horacio P. Suansing, Jr., 2nd District, Sultan Kudarat
Rep. Mikaela Angela B. Suansing, 1st District, Nueva Ecija
Rep. Yedda Marie K. Romualdez, Chairperson, Committee on Accounts
Rep. Jude A. Acidre, TINGOG Party-List
Rep. Joseph L. Lara, 3rd District, Cagayan