

Congress of the Philippines)  
First Regular Session )

SENATE OF THE PHILIPPINES  
OFFICE OF THE SECRETARY  
**RECEIVED**  
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SENATE

Senate Bill No. 580

Introduced by Hon. Jose D. Lina, Jr.

EXPLANATORY NOTE

Article VI, Section 28 (1) of the Constitution provides that "the rule of taxation shall be uniform and equitable. The Congress shall evolve a progressive system of taxation."

The mandate to evolve a progressive system of taxation is fluid and highly dynamic. The realities of life has to be the primary consideration in considering the basis for a more progressive taxation system, especially when it comes to income taxation.

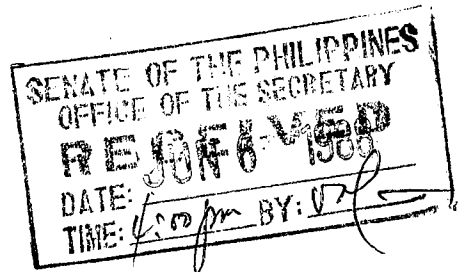
Recently, the government released figures showing that the national poverty line per family per month is P2,382.00 based on 1985 prices. This monthly average income per family computed yearly and used as a basis for income taxation will show that even a family earning this "poverty income" will still have to pay an income tax of about P 20.84.

Any amount which a supposed poverty stricken family will pay as tax to the State is unconsonable and a symptom of inequity which must be remedied if the populist maxim of "those who have less in life must have more in law" is to become meaningful.

This Bill proposes to amend the National Internal Revenue Code by providing a formula for the computation of the net taxable income of a family using as basis the official national poverty line.

Approval of this Bill is earnestly sought.

*Jose D. Lina, Jr.*  
JOSE D. LINA, JR.



S E N A T E

S.NO. 580

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Introduced by Senator Lina, Jr.  
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AN ACT  
TO ALIGN INCOME TAX ON INDIVIDUAL RATES WITH THE OFFICIAL INDICATORS SUCH AS THE POVERTY LINE AND AMENDING FOR THAT PURPOSE SECTION 21 OF THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED, AND FOR OTHER PURPOSES

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

1 SECTION 1. Section 21 of the National Internal  
2 Revenue Code, as amended, is hereby amended to read,  
3 as follows:

4 " SECTION 21. Tax on citizens or residents.-

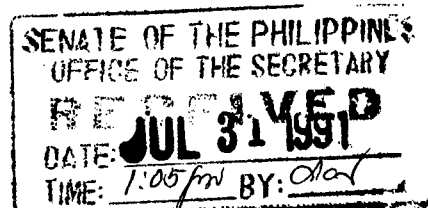
5 " (a) Taxable compensation, business and other  
6 income.- A tax is hereby imposed upon the taxable compen-  
7 sation, business and other income as defined in Section  
8 28, other than the incomes subject to tax under paragraphs  
9 (b), (c), (d) and (e) of this Section, received during  
10 each taxable year from all sources determined in accordance  
11 with the following schedule:

12	" Not over ₱ 5,000 / <u>₱ 2,500</u> ]	0 %
13	" [Over ₱ 2,500 but not over ₱ 5,000 ]	[ 1% of excess over ₱ 2,500 ]
14	" Over ₱ 5,000 but not over ₱ 10,000 [ ₱ 25 + ]	3 % of excess over ₱ 5,000
15	" XXXXXXXXXXXX"	

16 SEC. 2. This Act shall take effect upon its approval  
17 and completion of its publication in at least two national news-  
18 papers of general circulation.

Approved,

Congress of the Philippines )  
Fifth Regular Session )



SENATE

S. No. 1854

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Introduced by Senator Lina, Jr.

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EXPLANATORY NOTE

In view of the Supreme Court decision declaring Republic Act No. 7056 as unconstitutional, it is now imperative for Congress to enact a law providing for the holding of a simultaneous and synchronized election for all national and local officials on the second Monday of May 1992, as provided in the Constitution.

Hence this bill. Basically the provisions of this measure are substantially the same as those in the original version of S. No. 1777, prepared by the Senate Committee on Constitutional Amendments, Revision of Codes and Laws, with some amendments incorporating some of the provisions contained in Republic Act No. 7056 which introduce reforms in the electoral process.

Needless to stress, time is of the essence. The May 1992 election is less than ten (10) months away, and the Commission on Elections has to adopt measures to address the perceived technical problems attendant to the holding of a simultaneous and synchronized elections.

The immediate enactment of this measure is thus strongly urged.

  
JOSE D. LINA, JR.