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NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

RECEIVED BY: _____

SENATE

S. No. 550

Introduced by Senator **PIA S. CAYETANO**

**AN ACT
EXEMPTING DONATIONS AND REWARDS FOR OLYMPIC MEDALISTS AND
THEIR COACHES FROM TAXES, AMENDING FOR THE PURPOSE REPUBLIC ACT
NO. 10699**

EXPLANATORY NOTE

Article XIV, Section 19 (1) of the 1987 Philippine Constitution recognizes that "the State shall promote physical education and encourage sports programs, league competitions, and amateur sports, including training for international competitions, to foster self-discipline, teamwork, and excellence for the development of a healthy and alert citizenry."

The Olympic games are held every four years. Only the best of the best make it to the Olympics, and only the top three in the world will receive a medal for each sport. The Philippines won its first ever gold medal in the 2020 Tokyo Olympics, through the hard work and dedication of weightlifter, Hidilyn Diaz. During the height COVID-19 pandemic, when the Philippines was facing health-related difficulties and challenges, Diaz' victory brought hope and pride to our nation. While incentives received by the athletes are exempted from tax as provided for in Section 32 of the National Internal Revenue Code, those received from the private sector are still subject to the six percent (6%) donor's tax.

Given the outpouring of support from the private sector, the proposed bill was originally filed by the undersigned in the 18th Congress. It seeks to provide tax exemptions from both public and private sources, such that the cash incentives, bonuses, rewards, and other forms of emoluments received by national athletes and their coaches, who win in the Summer Olympic Games and Winter Olympic Games, shall be exempted from any and all taxes, fees, and charges levied by the government. Thus, recognizing the pivotal role of private companies and individuals as government's partners in supporting Filipino athletes.

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

Pia S. Cayetano
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*Be it enacted by the Senate and House of Representatives of the Philippines in Congress
assembled:*

1 Section 1. A new section designated as Section 10-A of Republic Act No. 10699 is
2 hereby added and shall read as follows:

3 **SEC. 10-A. TAX EXEMPTION. THE CASH INCENTIVES, BONUSES,**
4 **REWARDS, AND OTHER FORMS OF EMOLUMENTS RECEIVED BY**
5 **OLYMPIC MEDALISTS AND THEIR COACHES, WHETHER THE SAME**
6 **IS FROM PUBLIC FUNDS OR PRIVATE PERSONS OR ENTITIES,**
7 **SHALL BE EXEMPT FROM ANY AND ALL TAXES, FEES, AND**
8 **CHARGES LEVIED BY ANY GOVERNMENT AGENCY, LOCAL OR**
9 **NATIONAL, SUBJECT TO THE RULES AND REGULATIONS TO BE**
10 **ISSUED BY THE SECRETARY OF FINANCE, AS RECOMMENDED BY**
11 **THE COMMISSIONER OF INTERNAL REVENUE.**

12 Sec. 2. *Separability Clause.* - If any portion or provision of this Act is subsequently
13 declared invalid or unconstitutional, other provisions hereof which are not affected
14 thereby shall remain in full force and effect.

1 *Sec. 3. Repealing Clause.* - All laws, decrees, orders, rules and regulations and
2 other issuances or parts thereof, which are inconsistent with this Act, are hereby repealed
3 or modified accordingly.

4 *Sec. 4. Effectivity.* - This Act shall take effect fifteen (15) days after its publication
5 in the Official Gazette or in a newspaper of general circulation.

Approved,