

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



23 FEB -7 P5:47

**SENATE**

S. No. 1852

RECEIVED BY

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**Introduced by SENATOR RAMON BONG REVILLA, JR.**

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**AN ACT  
PROVIDING ADDITIONAL TAX INCENTIVES ON GIFTS AND DONATIONS TO  
ACCREDITED FARMERS AND FISHERFOLK ENTERPRISES UNDER THE  
FARMERS AND FISHERFOLK ENTERPRISE DEVELOPMENT PROGRAM OF THE  
DEPARTMENT OF AGRICULTURE, AMENDING FOR THE PURPOSE REPUBLIC  
ACT NO. 11321, OTHERWISE KNOWN AS THE "SAGIP SAKA ACT"**

**EXPLANATORY NOTE**

Republic Act 11321, or the "*Sagip Saka Act of 2018*", instituted the Farmers and Fisherfolk Enterprise Development Program to achieve sustainable agriculture and food security by helping farmers and fisherfolk increase their production and income.

Central to the success of this program is the participation of the private sector which may come in forms of marketing contracts, technology transfer, financial and organizational capability enhancement, and donation of equipment, machineries, and other real or personal properties to the accredited farmers and fisherfolk enterprises.

This measure aims to further encourage the private sector to donate to accredited farmers and fisherfolk enterprises under the Farmers and Fisherfolk Enterprise Program by declaring that donors of real and personal properties to these enterprises, in addition to exemption from the payment of donor's tax, shall be permitted to claim those donations as allowable deductions equivalent to one hundred fifty percent (150%) of the value of the donation, from the gross income.

This bill was originally filed by Senator Francis Pangilinan in the Eighteenth Congress.

In view of expanding the participation of the private sector in agricultural productivity, the immediate approval of this bill is most earnestly sought.

  
**RAMON BONG REVILLA, JR.**

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

1 Section 1. Section 12 of Republic Act 11321, otherwise known as the "*Sagip*  
2 *Saka Act*", is hereby amended to read as follows:

3 "Section 12. Tax Incentives and Exemptions. — The provisions of any general  
4 or special law to the contrary notwithstanding:

5 (a) Gifts and donations of real and personal properties shall be exempt from  
6 donor's tax **AND THE SAME SHALL BE CONSIDERED AS ALLOWABLE**  
7 **DEDUCTIONS FROM THE GROSS INCOME OF THE DONOR, IN**  
8 **ACCORDANCE WITH THE PROVISIONS OF THE NATIONAL INTERNAL**  
9 **REVENUE CODE OF 1997, AS AMENDED: PROVIDED, THAT THE**  
10 **ALLOWABLE DEDUCTIONS SHALL BE EQUIVALENT TO ONE HUNDRED**  
11 **FIFTY PERCENT (150%) OF THE VALUE OF SUCH DONATION. THE**  
12 **VALUATION OF THE DONATION OTHER THAN MONEY SHALL BE**  
13 **BASED ON THE ACQUISITION COST OF THE PROPERTY. SUCH**  
14 **VALUATION SHALL TAKE INTO CONSIDERATION THE DEPRECIATED**  
15 **VALUE OF PROPERTY IN CASE SAID PROPERTY HAS BEEN USED;"**

16 XXX  
17

1           Sec. 2. *Separability Clause.* – If any provision of this Act is declared invalid or  
2 unconstitutional, other provisions hereof which are not affected thereby shall remain  
3 in full force and effect.

4           Sec. 3. *Repealing Clause.* – All laws, orders, decrees, rules and regulations, and  
5 other parts thereof inconsistent with the provisions of this Act are hereby repealed,  
6 amended or modified accordingly.

7           Sec. 4. *Effectivity.* – This Act shall take effect fifteen (15) days after its  
8 publication either in the *Official Gazette* or in two (2) newspapers of general circulation  
9 in the Philippines.

*Approved,*