

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



23 MAY 15 A10 :29

SENATE

S.B. No. 2182

RECEIVED BY:

Introduced by **SENATOR IMEE R. MARCOS**

AN ACT
GRANTING FULL TAX BENEFITS TO GOVERNMENT PURCHASES DURING A
STATE OF CALAMITY, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Article II, Section 9 of the 1987 Constitution provides that "The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all."

During the previous years, the country has been at the epicenter of many calamities in the past decade, the most devastating being the damage caused by the super typhoon *Yolanda* in 2013 and *Paeng* in 2022, the eruption of the Taal Volcano in 2020, and the COVID-19 pandemic. Government purchases of needed goods through the calamity fund and other quick response funds were limited by the need to pay the value added tax and custom duties of these purchases.

Thus, this bill seeks to extend the viability of the calamity fund and other quick response funds during times of calamity by providing tax benefits to government purchases of goods for distribution during a state of calamity.

In light of this, the approval of this bill is earnestly sought.

IMEE R. MARCOS

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

1 **SECTION 1. Applicability.** – This Act shall be applicable to any national
2 government agency or local government unit which purchases goods for distribution
3 during a state of calamity.
4

5 **SEC. 2. State of Calamity.** – A state of calamity shall be understood as a
6 condition involving mass casualty and/or major damages to property, disruption of
7 means of livelihoods, roads and normal way of life of people in the affected areas as
8 a result of the occurrence of natural or human-induced hazard. *Provided,* That there
9 must first be a declaration from the President that there is a state of calamity in a
10 local government unit or in the country.
11

12 **SEC. 3. Full Tax Benefits.** – For purposes of this Act, full tax benefits shall pertain
13 to the following:
14

15 (a) *Value Added Tax Exemption.* – The purchases of any national government
16 agency or local government unit of food, medicines, medical supplies, clothing,
17 and hygiene kits for distribution during a state of calamity shall be exempted
18 from value added tax; and
19

20 (b) *Customs Duties Exemption.* – The purchases of any national government agency
21 or local government unit of food, medicines, medical supplies, clothing, and
22 hygiene kits for distribution during a state of calamity shall be exempted from
23 customs duties.
24

1 **SEC. 4. *Separability Clause.*** – If any portion or provision of this Act is declared
2 unconstitutional, the remainder of this Act or any provision not affected thereby shall
3 remain in force and effect.

4
5 **SEC. 5. *Repealing Clause.*** – All provisions of existing laws, orders, rules and
6 regulations or parts thereof which are in conflict or inconsistent with the provisions of
7 this Act are hereby repealed, amended or modified accordingly.

8
9 **SEC. 6. *Effectivity.*** – This Act shall take effect after fifteen (15) days following
10 the completion of its publication either in the Official Gazette or in a newspaper of
11 general circulation in the Philippines.

Approved,