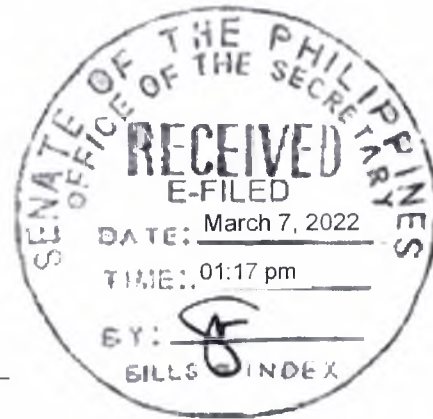


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



SENATE

Senate Bill No. 2509

Introduced by Senator FRANCIS N. PANGILINAN

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

EXPLANATORY NOTE

Republic Act No. 11321, otherwise known as the "Sagip Saka Act," was enacted with the purpose of improving the productivity and increasing the incomes of farmers and fisherfolk so that they will eventually attain a better quality of life.

To achieve this, the Act created the Farmers and Fisherfolk Enterprise Development Program that will integrate the different programs of the Department of Agriculture to support farmers and fisherfolk enterprises, enhance their business management, and provide then an expanded access to markets and product development. Government support comes in the form of agricultural and fishery inputs, grant of equipment and machineries, provision of production/processing/storage facilities, technical assistance including training for productivity and business management, the direct purchase of agricultural and fishery products without need of public bidding, as well as partnership with the private sector and direct access to markets.

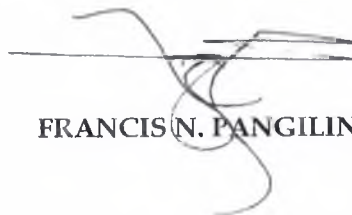
In the case of partnership with the private sector, this can be done thru marketing contracts, technology transfer, financial and organizational capability enhancement, as well as the donation of equipment, machineries, and other real or personal properties to the accredited farmers and fisherfolk enterprises.

This Bill seeks 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 being exempted from the payment of donor's tax, shall be permitted to claim those donations as allowable deductions from the gross income. To further encourage them to donate, the allowable deductions on the gross income shall be made equivalent to one hundred fifty percent (150%) of the value of the donation.

Such additional incentives to the private sector to donate deserve merit and approval as these will be given to deserving accredited farmers and fisherfolk enterprises

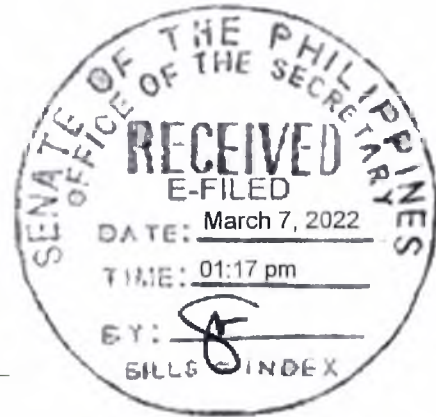
that have undergone strict selection criteria under the Farmers and Fisherfolk Enterprise Development Program. Private sector participation shall not only help increase the productivity and incomes of farmers and fisherfolk, but will also benefit the entire country through improved and sufficient food production and lower food prices.

The immediate approval of this Bill is therefore earnestly sought.

A handwritten signature in black ink, appearing to be 'Francis N. Pangilinan', written over a horizontal line.

FRANCIS N. PANGILINAN

EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



SENATE

Senate Bill No. 2509

Introduced by Senator FRANCIS N. PANGILINAN

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"

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

1 SECTION. 1. Section 12 of Republic Act (R. A.) No. 11321, otherwise known as the
2 "Sagip Saka Act" is hereby amended to read as follows:

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

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

1 SHALL TAKE INTO CONSIDERATION THE DEPRECIATED VALUE
2 OF PROPERTY IN CASE SAID PROPERTY HAS BEEN USED;”

3 x x x”

4 **SEC. 2. *Repealing Clause.*** - All laws, decrees, executive issuances, and rules and
5 regulations, inconsistent with the provisions of this Act are hereby repealed or modified
6 accordingly.

7 **SEC. 3. *Separability Clause.*** - If any provision or part of this Act is held invalid or
8 unconstitutional, the other provisions hereof which are not affected shall continue to be
9 in full force and effect.

10 **SEC. 4. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days after its
11 publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,