



HOUSE OF REPRESENTATIVES

H. No. 4900

BY REPRESENTATIVES LAPUS, DE VENECIA, SY-ALVARADO, PANCHO, SILVERIO, NICOLAS, JOSON, VIOLAGO, ANTONINO, NEPOMUCENO, MACAPAGAL ARROYO, AQUINO (R.), ROQUERO, TEODORO, AQUINO (B.), MAGSAYSAY (M.), SINGSON, CUA (J.), DUMPIT, DOMOGAN, DOMINGUEZ, CHUNGALAO AND CODILLA

AN ACT DECLARING A ONE-TIME AMNESTY ON CERTAIN TAX AND DUTY LIABILITIES, INCLUSIVE OF FINES, PENALTIES, INTERESTS AND OTHER ADDITIONS THERETO, INCURRED BY BUSINESS ENTERPRISES OPERATING WITHIN THE SPECIAL ECONOMIC ZONES AND FREEPORTS CREATED UNDER PROCLAMATION NO. 420 SERIES OF 1994, PROCLAMATION NO. 216, SERIES OF 1993, PROCLAMATION NO. 984, SERIES OF 1997 AND EXECUTIVE ORDER NO. 80, SERIES OF 1993, PURSUANT TO SECTION 15 OF REPUBLIC ACT NO. 7227, AS AMENDED, AND FOR OTHER PURPOSES

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

1 SECTION I. *Grant of Tax Amnesty.* – Business enterprises operating
2 prior to the effectivity of this Act within the special economic zones and
3 freeports created pursuant to Section 15 of Republic Act No. 7227, as
4 amended, such as the Clark Special Economic Zone created under Executive
5 Order No. 80, series of 1993, the John Hay Special Economic Zone created

1 under Proclamation No. 420, series of 1994, the Poro Point Special Economic
2 and Freeport Zone created under Proclamation No. 216, series of 1993, and the
3 Morong Special Economic Zone created under Proclamation 984, series of
4 1997, may avail themselves of the benefits of tax amnesty herein granted on all
5 applicable tax and duty liabilities, inclusive of fines, penalties, interests and
6 other additions thereto, incurred by them or that might have accrued to them
7 due to the ruling of the Supreme Court in the cases of *John Hay People's*
8 *Coalition v. Lim, et al., G.R. No. 119775 dated 23 October 2003* and *Coconut*
9 *Oil Refiners Association, Inc. v. Torres, et al., G.R. No. 132527 dated 29 July*
10 *2005* by filing a notice and return in such form as shall be prescribed by the
11 Commissioner of Internal Revenue and thereafter, by paying an amnesty tax
12 rate of Twenty-five pesos (P25.00) within six months from the effectivity of
13 this Act: *Provided*, That the applicable tax and duty liabilities to be covered
14 by the tax amnesty shall refer only to the difference between (i) all national and
15 local tax impositions upon said business enterprises under relevant tax laws,
16 rules and regulations and (ii) a five percent (5%) tax on gross income earned
17 by said registered export enterprises as determined under relevant revenue
18 regulations of the Bureau of Internal Revenue (BIR) during the period covered:
19 *Provided, however*, That the coverage of the tax amnesty herein granted shall
20 not include the applicable taxes and duties on articles, raw materials, capital
21 goods, equipment and consumer items removed from the special economic
22 zone and freeport and entered in the customs territory of the Philippines for

1 local or domestic sale, which shall be subject to the usual taxes and duties
2 prescribed in the National Internal Revenue Code (NIRC) of 1997, as
3 amended, and the Tariff and Customs Code of the Philippines, as amended.

4 SEC. 2. *Immunities and Privileges.* – Those who availed themselves of
5 the tax amnesty and have fully complied with all its conditions shall be
6 relieved of any civil, criminal and/or administrative liabilities arising from or
7 incident to the nonpayment of taxes, duties and other charges covered by the
8 tax amnesty granted in Section 1 herein.

9 SEC. 3. *Implementing Rules and Regulations.* – The Department of
10 Finance, in coordination with the BIR and the Bureau of Customs, and in
11 consultation with the Bases Conversion and Development Authority, the Clark
12 Development Corporation, the John Hay Management Corporation, the Poro
13 Point Management Corporation, and the Bataan Technology Park, Inc., shall
14 promulgate and publish the necessary rules and regulations for the effective
15 implementation of this Act within two months from the date of effectivity of
16 this Act.

17 SEC. 4. *Effectivity.* – This Act shall take effect fifteen (15) days after
18 its publication in the *Official Gazette* or in any two newspapers of general
19 circulation, whichever comes earlier.

Approved,