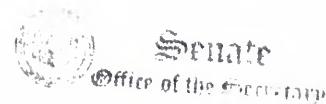


NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



22 AUG -4 P5:32

SENATE
S. No. 1037

RECEIVED BY:

Introduced by SENATOR RAMON BONG REVILLA, JR.

AN ACT
EXEMPTING INCENTIVES, REWARDS, BONUSES AND OTHER FORMS OF
EMOLUMENTS RECEIVED BY NATIONAL ATHLETES AND COACHES FROM
TAXES; AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 10699,
OTHERWISE KNOWN AS THE "NATIONAL ATHLETES AND COACHES
BENEFITS AND INCENTIVES ACT"

EXPLANATORY NOTE

For the first time after almost a century of participating in the Olympic Games, the Philippines got its very first Olympic gold medal. Hidilyn Diaz, the 30-year old native from Zamboanga City, secured the elusive gold medal in the women's 55-kg category in weightlifting at the 2020 Olympics held in Tokyo, Japan. The historic win was celebrated by the whole nation, brought immense pride and honor to the country, and instantly uplifted the spirits of the population battered by adverse socio-economic effects of the Covid-19 pandemic.

Republic Act No. 10699, otherwise known as the "National Athletes and Coaches Benefits and Incentives Act," was enacted in 2015. It declared the State policy of promoting excellence in sports by looking after the welfare of national athletes and coaches competing for the country and by providing benefits and incentives for national athletes and other athletes who win in international sports competitions and bring honor and recognition to the country.

This proposed measure seeks to expand the range of incentives accorded to our sports heroes by exempting rewards and other forms of emoluments given to them from all national or local taxes, fees, and charges. Even in modest terms, it

aims to honor their invaluable hard work, achievements and patriotism for representing the country and bringing pride and inspiration to the Filipinos. It also hopes to institute a clear policy about the tax privileges related to rewards and bonuses received by competing and winning athletes in the international arena.

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



RAMON BONG REVILLA, JR.

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BENEFITS AND INCENTIVES ACT"

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

1 Section 1. *Short Title.* – This Act shall be known as the "*Hidilyn Diaz Act.*"

2 Sec. 2. *Declaration of Policy.* – The State shall give priority to sports to foster
3 patriotism and nationalism, accelerate social progress, and promote total human
4 liberation and development. Towards this end, the State shall look after the welfare
5 of national athletes and coaches by providing benefits and incentives for qualified
6 athletes and coaches who compete or win in international sports competitions and
7 bring honor and recognition to the country.

8 Sec. 3. A new Section, designated as Section 4-A, is hereby inserted in Republic
9 Act No. 10699, otherwise known as the "*National Athletes and Coaches Benefits and*
10 *Incentives Act,*" to read as follows:

11 **"SEC. 4-A. EXEMPTION FROM TAXES OF INCENTIVES,**
12 **REWARDS, BONUS AND OTHER FORMS OF EMOLUMENTS**
13 **RECEIVED BY COMPETING OR WINNING NATIONAL ATHLETES**
14 **AND COACHES. – ALL INCENTIVES, REWARDS, BONUSES AND**
15 **OTHER FORMS OF EMOLUMENTS, AS WELL AS DONATIONS,**

1 GIFTS, ENDOWMENTS AND CONTRIBUTIONS, WHETHER FROM
2 PUBLIC OR PRIVATE PERSONS OR ENTITIES, RECEIVED BY
3 NATIONAL ATHLETES WHO COMPETE OR WIN IN
4 INTERNATIONAL SPORTS COMPETITIONS AS DEFINED IN
5 THIS ACT, INCLUDING THOSE RECEIVED BY THEIR
6 RESPECTIVE COACHES, SHALL BE EXEMPT FROM ANY AND ALL
7 NATIONAL OR LOCAL TAXES, FEES, AND CHARGES, SUBJECT
8 TO RULES AND REGULATIONS TO BE ISSUED BY THE
9 SECRETARY OF FINANCE, AS RECOMMENDED BY THE
10 COMMISSIONER OF INTERNAL REVENUE: PROVIDED,
11 HOWEVER, THAT DONATIONS, GIFTS, ENDOWMENTS AND
12 CONTRIBUTIONS MADE PRIOR TO THE COMPETITION ITSELF
13 AND DIRECTLY AND EXCLUSIVELY USED TO FUND TRAINING
14 AND COMPETITION-RELATED EXPENSES, AS WELL AS
15 INCENTIVES, REWARDS, BONUSES AND OTHER FORMS OF
16 EMOLUMENTS RECEIVED BY COMPETING OR WINNING
17 NATIONAL ATHLETES AND COACHES, SHALL BE CONSIDERED
18 AS ALLOWABLE DEDUCTIONS FROM GROSS INCOME FOR
19 PURPOSES OF COMPUTING THE TAXABLE INCOME OF THE
20 DONOR IN ACCORDANCE WITH THE PROVISIONS OF THE
21 NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED.

22 "THE EXEMPTION FROM DONOR'S TAX AND
23 DEDUCTIBILITY FROM GROSS INCOME PROVIDED HEREIN
24 MAY BE AVAILED OF WITHIN ONE (1) YEAR BEFORE THE
25 COMMENCEMENT OF THE INTERNATIONAL SPORTS
26 COMPETITION WHERE THE NATIONAL ATHLETE WILL
27 COMPETE IN, AS CERTIFIED BY THE RESPECTIVE BODIES THAT
28 ACCREDITED THEM AND THEIR COACHES, WHICH MAY BE THE
29 PHILIPPINE SPORTS COMMISSION, PHILIPPINE OLYMPIC
30 COMMITTEE, OR THE NATIONAL PARALYMPIC COMMITTEE OF
31 THE PHILIPPINES, AND WITHIN THREE (3) MONTHS AFTER
32 THE INTERNATIONAL SPORTS COMPETITION.

1 **“THE EXEMPTIONS AND PRIVILEGES PROVIDED HEREIN**
2 **SHALL NOT BE AVAILED IN LIEU OF ANY TAX EXEMPTION OR**
3 **PRIVILEGE GRANTED UNDER EXISTING LAWS.”**

4 *Sec. 4. Implementing Rules and Regulations.* – Within thirty (30) days from the
5 effectivity of this Act, the Department of Finance shall, upon recommendation by the
6 Bureau of Internal Revenue, promulgate rules and regulations for the effective
7 implementation of this Act: Provided, That failure to promulgate said rules and
8 regulations shall not prevent the implementation of the provisions of this Act.

9 *Sec. 5. Separability Clause.* – If any provision or part hereof is held invalid or
10 unconstitutional, the remainder of the law or the provision or part not otherwise
11 affected shall remain valid and subsisting.

12 *Sec. 6. Repealing Clause.* – Any law, presidential decree or issuance, executive
13 order, letter of instruction, administrative order, rule, or regulation contrary to or
14 inconsistent with the provisions of this Act are hereby repealed, modified, or amended
15 accordingly.

16 *Sec. 7. Effectivity.* – This Act shall take effect fifteen (15) days after its
17 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,