

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
Third Regular Session

**House Bill No. 9888**



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**Introduced by the Honorable Precious Hipolito Castelo**

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#### **EXPLANATORY NOTE**

Last July 26, 2021, Hidilyn Diaz took home the first Philippine Olympic gold medal at the 2020 Tokyo Olympic Games in the Women's 55kg weightlifting competition, when she defeated Liao Qiuyun of China, a world record holder in weightlifting. This historic win brought honor to the country, and Filipinos beamed with pride as Diaz successfully put the Philippines on the map of the world's best when it comes to weightlifting.

Prizes, awards, incentives and donations came pouring for Diaz after bagging the gold medal. Among others, she received a house and lot, a condominium unit, cash prizes, and lifetime free flights from airline companies. Subsequently, there is a question of whether or not these prizes and donations are subject to taxes.

Under Section 1 of Republic Act No. 7549, it is stated that: "All prizes and awards granted to athletes in local and international sports tournaments and competitions held in the Philippines or abroad and sanctioned by their respective national sports associations shall be exempt from income tax: provided, that such prizes and awards given to said athletes shall be deductible in full from the gross income of the donor: provided, further, that the donors of said prizes and awards shall be exempt from the payment of donor's tax. x x x"

The above-cited provision, however, does not expressly exempt those prizes and donations given by third parties from donor's taxes. It only exempts the prizes and awards gained by the athletes from the local or national competitions themselves, and not those given by third parties.

Thus, this bill intends to expressly exempt all donations given by reason of local and international competitions from the payment of donor's taxes, including those given by private entities.

It is acknowledged that Philippine Olympic gold medalist Hidilyn Diaz is not subject to donor's tax, as it is clearly the donor who has the burden to pay the taxes. This bill proposes the tax exemption so that private entities and other third parties will be further encouraged to incentivize Philippine athletes who put their heart and soul in representing the country in the realm of sports.

The immediate passage of this measure is earnestly sought.

  
**PRECIOUS HIPOLITO CASTELO**

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**AN ACT**

**EXEMPTING ALL DONATIONS GIVEN BY REASON OF LOCAL AND INTERNATIONAL SPORTS TOURNAMENTS AND COMPETITIONS FROM THE PAYMENT OF DONOR'S TAXES, INCLUDING THOSE FROM PRIVATE ENTITIES, AMENDING FOR THE PURPOSE SECTION 1 OF REPUBLIC ACT NO. 7549**

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

SECTION 1. Section 1 of Republic Act No. 7549 is hereby amended to read as follows:

“Section 1. All prizes and awards granted to athletes [in] BY REASON OF local and international sports tournaments and competitions held in the Philippines or abroad and sanctioned by their respective national sports associations shall be exempt from income tax: provided, that such prizes and awards given to said athletes shall be deductible in full from the gross income of the donor: provided, further, that ALL [the] donors of said prizes and awards, INCLUDING PRIVATE ENTITIES, shall be exempt from the payment of donor's tax.

[The benefits herein provided shall cover the XVIth Southeast Asian Games (SEA Games) held in Manila from November 25 to December 5, 1991.]”

SEC. 2. Upon the recommendation of the Commissioner of the Bureau of Internal Revenue, the Philippine Sport Commission (PSC) and the Department of Finance shall, within thirty (30) days from the effectivity of this Act, jointly promulgate rules and regulations necessary for the effective implementation of this Act.

SEC. 3. Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with, the provisions of this Act is hereby repealed, modified, or amended accordingly.

SEC. 4. This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

*Approved,*