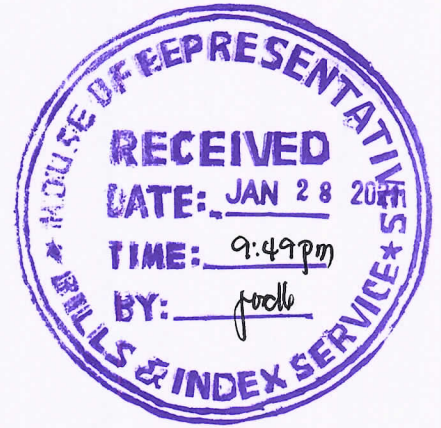


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 8584



Introduced by Hon. ANGELICA NATASHA CO

EXPLANATORY NOTE

To make all the COVID-19 vaccines affordable and reasonably-priced, this bill proposes that all the vaccines and everything needed in the fight against COVID-19 must be tax-free regardless of country of origin, manufacturer, and whether for the public vaccination program or for private inoculation by a health professional. Tax-free means not just zero import duties and administrative fees but also zero VAT, other sales taxes, other business taxes, and local taxes.

The national treasury, BIR, Customs Bureau, and local governments need not gain financially from the importation and distribution of the COVID-19 vaccines because the country's immediate gain is the further reopening of the economy and onwards to the new normal with the coronavirus still a lingering threat.

Public health, public safety, and our economic security require that all impediments, including cost constraints, to the swift and effective implementation of the vaccination program must be cast aside.

Some of the COVID-19 vaccines could be produced in the industrial estates like PHIVIDEC under license from the original manufacturers. All inputs for local manufacture should be tax-free.

Vaccines need specialized, temperature-controlled containers for proper transport. Our country must have enough of these cold storage containers and facilities, so that the COVID-19 vaccines can be properly and safely shipped.

If we do not yet have these vaccines and means of cold storage, the DTI should find ways to manufacture the vaccines and cold containers on a massive scale, along with the production of tens of millions of syringes and other supplies needed.

The country will also need safe places where enough vaccines and supplies can be stored on stand-by for future needs.

We must anticipate vaccination of migrant balikbayans, returning OFWs, foreign tourists, and crews of international airlines, passenger ships, cargo ships, personnel of foreign embassies and international regional headquarters, and visiting foreign troops.



ANGELICA NATASHA CO
Representative, BHW Party-list

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 8584

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AN ACT
AMENDING THE NATIONAL INTERNAL REVENUE CODE TO ENSURE THE
AFFORDABILITY OF ANTI-COVID-19 TESTING, TREATMENT,
VACCINATION, AND LOCAL MANUFACTURE, AND FOR OTHER PURPOSES

Section 1. Short Title. This Act shall be known as the “ANTI-COVID-19 TESTING, TREATMENT, VACCINATION, AND LOCAL MANUFACTURE AFFORDABILITY ACT OF 2021.”

Section 2. Statement of Policy. It is hereby declared the policy of the State to make affordable to the Filipino people, to the national government, local government units, businesses, nonprofit organizations, and civil society institutions any and all vaccines, drugs, medicines, supplies, testing kits, and equipment, including cold storage equipment, devices, and containers, for the prevention and treatment of coronavirus disease – 2019 (COVID-19).

Section 3. Amendments to the National Internal Revenue Code. A new Section 108 (B) (8) of the NIRC is hereby inserted to read as follows:

Section 108 (B). The following services performed in the Philippines by VAT-registered persons shall be subject to zero percent (0%) rate:

(8) IMPORTATION OF VACCINES, DRUGS, MEDICINES, SUPPLIES, TESTING KITS, AND EQUIPMENT, INCLUDING COLD STORAGE EQUIPMENT, DEVICES, AND CONTAINERS, FOR THE PREVENTION AND TREATMENT OF CORONAVIRUS DISEASE – 2019 (COVID-19)

Section 4. With the insertion of the new provision in the preceding section, Section 108 (B) (8) (iii) of the NIRC is hereby renumbered and amended to read as follows:

Section 108 (B). The following services performed in the Philippines by VAT-registered persons shall be subject to zero percent (0%) rate:

(9) Services rendered to:

(iii) Patients admitted to any hospital, clinic, or any medical facility for testing and treatment of symptoms and confirmed COVID-19.

Section 5. Section 109 (AA) of the NIRC is hereby amended to read as follows:

Section 109. Exempt Transactions. Subject to the provisions of Subsection (2) hereof, the following transactions are exempt for value-added tax:

AA. Sale of drugs and medicines prescribed for diabetes, hypertension, and cholesterol beginning January 1, 2019, AND OF VACCINES, DRUGS, MEDICINES, SUPPLIES, TESTING KITS, AND EQUIPMENT, INCLUDING COLD STORAGE EQUIPMENT, DEVICES, AND CONTAINERS, FOR THE PREVENTION AND TREATMENT OF CORONAVIRUS DISEASE – 2019 (COVID-19) BEGINNING JANUARY 1, 2021.

Section 6. Abolition of taxes on COVID-19 vaccines. Hereby abolished are any other taxes on vaccines, drugs, medicines, supplies, testing kits, and equipment, including cold storage equipment, devices, and containers, for the prevention and treatment of coronavirus disease – 2019 (COVID-19), including excise taxes, ad valorem taxes, import duties, and taxes implemented by any national government instrumentality or local government unit, and administrative fees imposed by any national government instrumentality or local government unit.

Section 7. Zero percent taxes on importation of materials used to make vaccines. Hereby subject to zero percent (0%) rate is the importation of any ingredient, raw material, equipment, supplies, devices, and instruments for the local manufacture or assembly of vaccines, drugs, medicines, supplies, testing kits, and equipment, including cold storage equipment, devices, and containers, for the prevention and treatment of coronavirus disease – 2019 (COVID-19).

Section 8. Implementing Guidelines, Rules, and Regulations. The Department of Finance, Department of Health, Bureau of Internal Revenue, Bureau of Customs, Tariff Commission, Department of the Interior and Local Government, and other concerned agencies shall issue

the necessary guidelines, rules, and regulations to implement this Act not later than thirty (30) days after its effectivity.

Section 9. **Appropriations.** The annual budget necessary to implement this Act shall be included in the regular annual general appropriations.

Section 10. **Separability.** - If any provision or part of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall continue to be in full force and effect.

Section 11. **Repealing Clause.** - All laws, executive orders, and administrative orders or parts thereof inconsistent with any provision of this Act are hereby repealed or amended accordingly.

Section 12. **Effectivity Clause.** - This Act shall take effect fifteen (15) days after its publication in the online version of the *Official Gazette* or in two (2) newspapers of general circulation or with established internet website presence.

Approved.