

**[ REPUBLIC ACT NO. 10653, February 12, 2015 ]**

**AN ACT ADJUSTING THE 13TH MONTH PAY AND OTHER BENEFITS CEILING EXCLUDED FROM THE COMPUTATION OF GROSS INCOME FOR PURPOSES OF INCOME TAXATION, AMENDING FOR THE PURPOSE SECTION 32(B), CHAPTER VI OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED**

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

SECTION 1. Section 32(B), Chapter VI of the National Internal Revenue Code of the Philippines (Republic Act No. 8424) is hereby amended as follows:

"SEC. 32. *Gross Income.* —

"x x x

"(B) *Exclusions from Gross Income.* — The following items shall not be included in gross income and shall be exempt from taxation under this Title:

"xxx

"(7) *Miscellaneous Items.* — "xxx

"(e) *13 th Month Pay and Other Benefits.* — Gross benefits received by officials and employees of public and private entities: *Provided, however,* That the total exclusion under this subparagraph shall not exceed eighty-two thousand pesos (P82,000) which shall cover:

"xxx

"(iv) Other benefits such as productivity incentives and Christmas bonus: *Provided,* That every three (3) years after the effectivity of this Act, the President of the Philippines shall adjust the amount herein stated to its present value using the Consumer Price Index (CPI), as published by the National Statistics Office (NSO)."

SEC. 2. *Implementing Rules and Regulations.* — The Secretary of Finance shall promulgate the necessary rules and regulations for the faithful and effective implementation of the provisions of this Act: *Provided, That,* the failure of the Secretary of Finance to promulgate the said rules and regulations shall not prevent the implementation of this Act upon its effectivity.

SEC. 3. *Repealing Clause.* — All laws, orders, issuances, circulars, rules and regulations or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.