

SIXTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

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Senate
Office of the Secretary

'13 JUL -3 P6:31

SENATE
S.B. NO. **413**

RECEIVED BY: *ja*

Introduced by SENATOR FERDINAND R. MARCOS, JR.

Explanatory Note

Philippine society, both in the urban and even rural settings, is confronted with the ever-worsening myriad of intertwined issues such as climate change, air pollution, traffic and road congestion, rising costs of gasoline and other commodities, personal health problems, and other related social issues.

This bill seeks to introduce a world-renowned approach to solving the above primordial problems of our society: the promotion and reinvigoration, by way of fiscal incentives, of bicycle-commuting on Philippine roads.

The Filipino's love-affair with the bicycle has never waned ever since the time of its introduction in Philippine society. In fact, bicycle use in the Philippines remain to be popular these days, whether as mode of exercise and recreation, or mode of regular means of transportation, as evidenced by the thousands of recreational riders and "weekend warriors", and, more importantly, the hordes of bicycle-riding Filipino workers and laborers who can be seen sharing the road with motorized transport users.

Studies have consistently shown that bicycle use has wide-reaching benefits, from environmental and urban planning to public health. General and regular bicycle use by the public lessen use of motorized transport, road congestion and demand for parking facilities, ultimately translating to significantly reduced carbon emissions of the country, and also reduced cardiovascular health risks to the general public health. Incidentally, bicycle users also enjoy savings on transportation costs, in view of their lessened dependence on the motorized transport, which is admittedly more expensive.

One study confirms: "There are many good reasons to encourage more cycling. It causes virtually no noise or air pollution and consumes far less nonrenewable resources than any motorized transport mode. The only energy cycling requires is provided directly by the traveler, and the very use of that energy offers valuable cardiovascular exercise. Cycling requires only a small fraction of the space needed for the use and parking of cars. Moreover, cycling is economical, costing far less than both the private car and public transport, both in direct user costs and public infrastructure costs. Precisely because it is affordable by virtually everyone, cycling is among the most equitable of all transport modes. In short, it is hard to beat cycling when it comes to environmental, social, and economic sustainability. Consequently, both the European Union and the United States have officially recognized the importance of cycling as a practical mode of urban transport and endorse the dual objectives of raising cycling levels while increasing cycling safety." **(European Conference of the Ministers of Transport, 2004; U.S. Department of Transportation, 1994 and 2004, cited in "Making Cycling Irresistible: Lessons from the Netherlands, Denmark, and Germany", John Pucher and Ralph Buehler, Bloustein School of Planning and Public Policy, Rutgers University, New Jersey, USA, *Transport Reviews*, Vol. 28, 2008; Cycling Embassy of Denmark [www.cycling-embassy.dk])**

This bill seeks to incentivize bicycle use as a mode of daily transport, particularly, the use by workers and students, in order to maintain the present bicycle-commuting scene and also attract more bicycle users in the country. The specific targets are the employees and students who shall be the direct participants in the fiscal incentive program or system, as well as the employees, schools, companies, and other institutions that shall provide the conditions for the system. Riders and direct users are benefited by bicycle-related facilities and tax deduction incentives, while indirect participants are benefited also by way of tax deduction on expenses and corporate social responsibility programs.

In view of thereof, the passage of this bill is earnestly requested.


FERDINAND R. MARCOS, JR

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SENATE
SENATE BILL NO. 413

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Introduced by Senator FERDINAND R. MARCOS, JR.

**AN ACT GRANTING INCENTIVES TO ENCOURAGE AND PROMOTE
COMMUTING BY BICYCLES OR OTHER NON-MOTORIZED
TRANSPORT VEHICLES, AND FOR OTHER PURPOSES**

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

SECTION 1. Title. - This Act shall be known as "**Bicycle Commuters
Incentives Act of 2013.**"

SECTION 2. Declaration of Policy. - The State hereby affirms the
state policies enshrined in the Constitution and in various national laws,
such as but not limited to the following:

1. Protection and promotion of the people's right to health and to
encourage health consciousness among them, as well as the
adoption of an integrated and comprehensive approach to health
development.
2. Protection and advancement of the right of the people to a
balanced and healthful ecology.
3. Primary focus on pollution prevention rather than on control and
providing for a comprehensive management program for air
pollution.
4. Full protection to labor.

Moreover, it is hereby made the policy of the State to encourage
the use of bicycles and other safe and viable non-motorized transport
vehicles as a mode of daily commuting and travel to and from the
workplace, school, church, malls, and other places, and to create a bike-
commuting culture, in order to address simultaneously issues of health risks,
pollution control, and motor vehicle traffic reduction.

SECTION 3. Definition of Terms. - For purposes of this Act, the following are hereby defined as follows:

- 1) "Bicycle" means a vehicle having two functional wheels attached to a frame, one behind the other, with a seat, handlebar, and brakes, and which is ergonomically ridden and purely pedal-driven by a human person.
- 2) "Non-motorized transport vehicle" means a vehicle having two functional wheels attached to a frame, one behind the other, with a seat, handlebar, and brakes, and which is ergonomically ridden by a human person, but which is neither pedal-driven, nor powered by animal nor fossil fuel or internal combustion engine.
- 3) "Eligible equipment" means any tool or implement that tend to promote the safety and security of the rider of a bicycle or non-motorized transport, such as helmets, protective pads and clothing, front and rear lights, reflectors, mirrors, mudguards, carrier racks, straps, chains and locks, tire pumps, appropriate tool kits, tire puncture kits, appropriate batteries and chargers.
- 4) "Bike-friendly programs and facilities" mean programs, external facilities and structures aimed at encouraging and promoting commuting by bicycles and non-motorized transport, and/or substantially aiding bicycle and non-motorized transport riders and commuters, and which are provided free of charge.

SECTION 4. Tax Incentives. - 1) Subject to Section 5 of this Act on substantiation, employees who shall regularly and mainly use bicycles or other non-motorized transport vehicles as means of transport to and from their places of work shall be entitled to an annual tax deduction of Two Thousand Five Hundred Pesos (PhP2,500.00) from their gross income.

2) Expenses incurred by employers or schools in providing their employees or students, by way of benefits, bicycles and non-motorized transport vehicles, eligible equipment, and bike-friendly facilities shall be deductible in full from their gross income.

3) Expenses incurred by companies, business establishments, and other institutions as a result of their bike-friendly programs and facilities shall be deductible in full from their gross income.

4) Bicycles and other non-motorized transport vehicles granted by employers to its managerial and supervisory employees in compliance with this Act shall not be taxable as fringe benefits, as provided under Republic Act No. 8424.

SECTION 5. Substantiation Requirements. - For purposes of this Act, the qualified persons, companies, institutions desiring to avail of the benefits of this Act shall substantiate their claim for incentives with sufficient evidence, such as logbook entries, official receipts, affidavits or other adequate records.

SECTION 6. Corporate Social Responsibility. - Programs and facilities of employers, business establishments, schools, and other institutions that are "bike-friendly" and aimed at encouraging and promoting commuting by bicycles and non-motorized transport (such as but not limited to "bike-to-work" programs), and substantially aiding bicycle and non-motorized transport riders and commuters (such as but not limited to construction of parking areas for bicycles and non-motorized transport vehicles), and which are provided free of charge, may also be treated and deemed part of their corporate social responsibility programs.

SECTION 7. Implementing Rules and Regulations. - Within sixty (60) days from effectivity of this Act, the Bureau of Internal Revenue shall promulgate the rules and regulations to effectively implement the Program and the provisions of this Act.

SECTION 8. Separability Clause. - The provisions of this Act are hereby declared to be separable and if any clause, sentence, provision or section of this Act or its application thereof to any person or circumstance should, for any reason, be held invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the other provisions or application of this Act which can be given force and effect.

SECTION 9. Repealing Clause. - All laws, decrees, charters, executive orders, administrative orders, proclamations, rules and regulations, or parts thereof insofar as they are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 10. Effectivity. - This Act shall take effect fifteen (15) days after completion of publication in the Official Gazette or in a newspaper of general circulation.

Approved,