

[PRESIDENTIAL DECREE NO. 1868, July 06, 1983]

GRANTING SPECIAL ADDITIONAL PERSONAL EXEMPTION TO INDIVIDUAL TAXPAYERS UNDER CERTAIN CONDITIONS AND FOR OTHER PURPOSES.

WHEREAS, the Government recognizes the need to assist low-salaried employees to meet the increasing costs of living; and

WHEREAS, the grant of special additional personal exemption will give relief to the low-salaried employees and will enhance the equity and the progressivity of the income tax system.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution do hereby decree and order the following:

SECTION 1. Subparagraphs (a), (b) and (c) of Section 23 of the National Internal Revenue Code of 1977, as amended, are hereby further amended to read as follows:

"SECTION 23. Amount of personal exemptions allowable to individuals. For the purpose of the tax *provided* in this Title, there shall be allowed in the nature of a deduction from the amount of gross compensation income and/or net income, as the case may be, the following personal exemptions:

"(a) Basic and special additional personal exemption of single Individuals. The sum of Three Thousand Pesos (P3,000.00) as basic personal exemption, if the person making the return is a single person or a married person judicially decreed as legally separated from his or her spouse. If his gross compensation income does not exceed Twenty Thousand Pesos (P20,000.00), a special additional personal exemption of Four Thousand Pesos (P4,000.00) shall be allowed.

"(b) Basic and special additional personal exemption of married persons or heads of family. The sum of Six Thousand Pesos (P6,000.00), if the person making the return is a married man or a married woman, or Four Thousand Five Hundred Pesos (4,500.00) as basic personal exemption, if the person making the return is the head of a family: *Provided* only one basic exemption of Six Thousand Pesos (P6,000.00) shall be made from the aggregate income of both husband and wife when not legally separated. If his gross compensation income does not exceed Twenty Thousand Pesos (P20,000.00), a special additional personal exemption of Four Thousand Pesos (P4,000.00) shall be allowed.

"For the purpose of this Section, the term head of family" means an unmarried man or woman with one or both parents, or with one or more brothers, sisters, or with one or more legitimate, recognized natural, or adopted children living with and dependent upon him or her for their chief support, where such brothers, sisters, or children are not gainfully