

Republic of the Philippines
SANGGUNIANG PANLUNGSOD
(23rd City Council)
QUEZON CITY

Proposed Ordinance No._____, S-2026

AN ORDINANCE PROVIDING TAX INCENTIVES TO VETERINARY CLINICS PERFORMING SPAY & NEUTER SURGERY

Introduced by: Councilors VICTORIO MANUEL “VITO” SOTTO GENEROSO and JOSEPH P. JUICO

WHEREAS, Section 192 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, states and specifically provides that:

SECTION 192. Authority to Grant Tax Exemption Privileges.

– *Local government units may, through ordinances duly approved, grant tax exemptions, incentives, or reliefs under such terms and conditions as they may deem necessary.*

WHEREAS, the Local Government Code of 1991 (Republic Act No. 7160, as amended) also provides that local government units shall likewise be responsible for the impounding of stray animals and the adoption of measures to prevent and penalize cruelty to animals;

WHEREAS, Section 7 of the Republic Act No. 10631, which amended Republic Act No. 8485, otherwise known as the “*The Animal Welfare Act of 1998*,” provides that “*It shall be unlawful for any person who has custody of an animal to abandon the animal;*” and other enacted city ordinances on rabies control, stray management, and animal welfare, if necessary.

WHEREAS, according to the Humane Society International, the spaying and neutering of cats and dogs is a critical element in addressing companion animal overpopulation, and reducing the number of stray and feral animals;

WHEREAS, a reduction in the number of stray, feral, and free-roaming animals in Quezon City will also reduce the financial burden of operating and maintaining the city pound; and

WHEREAS, granting tax incentives in the form of exclusions of the gross receipts for such services of veterinary clinics in Quezon City that spay or neuter **a minimum number of twenty (20) animals in a calendar year** which shall increase the number of such surgical procedures being performed and lead to a consequent reduction in the number of stray, feral, and free-roaming animals.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF QUEZON CITY IN REGULAR SESSION ASSEMBLED:

SECTION 1. DEFINITIONS – For purposes of this Ordinance, the following terms shall be defined as follows:

- A. Indigent Resident** – A bona fide resident of Quezon City who is a person whose household has no income, or has an income below the poverty line, and who is not already benefiting from any other regular government financial assistance such as a social pension, cash transfer program, and the like. This status will be evidenced by a valid and current certificate of indigency issued by the concerned Barangay or the Quezon City Social Services Development Department (SSDD), whose income falls below the officially established poverty threshold of the National Economic and Development Authority (NEDA) or the Department of Social Welfare and Development (DSWD).
- B. Tax Credit** – The specific incentive amount permitted under this Ordinance to be deducted from a Participating Veterinary Clinic's computed annual Local Business Tax due, evidenced by a Tax Credit Certificate issued by the City Treasurer's Office.
- C. Gross Receipts or Sales** – The total amount of money or its equivalent representing the contract price, compensation or service fee, including the amount charged on materials supplied with the services and deposits or advance payments actually or constructively received during the taxable quarter for the services performed or to be performed for another person excluding discounts if determinable at the time of sales, sales return, excise tax and value added tax.
- D. Local Business Tax** – The local business tax imposed by the Local Government Unit of Quezon City on the gross receipts of Participating Veterinary Clinics, as levied pursuant to the Quezon City Revenue Code.
- E. Spay or Neuter Surgery** – The surgical sterilization procedure (ovariohysterectomy or orchiectomy) of a domestic canine or feline to prevent reproduction and control population.
- F. Participating Veterinary Clinic** – Any clinic, hospital, or establishment primarily engaged in the practice of veterinary medicine, licensed by the Professional Regulation Commission (PRC) pursuant to Republic Act No. 9268, otherwise known as The Philippine Veterinary Medicine Act of 2004, and duly registered with the Quezon City Business Permits and Licensing Department (BPLD) and the QCVD to avail itself of the benefits of this Ordinance.
- G. Quezon City Veterinary Department (QCVD)** – The official office or department within the City Government responsible for the implementation, monitoring, verification, and enforcement of animal health and welfare programs under this Ordinance.
- H. City Treasurer's Office (CTO)** – The official office within the City Government, as the main revenue-generating arm of the City, collecting various taxes and fees to support the worthwhile City

projects. The CTO shall be responsible for the determination of the manner by which the tax incentive will be applied.

- I. Business Permits and Licensing Department (BPLD)** – The official department within the City Government in charge of issuing and renewing business and occupational permits. The BPLD shall be responsible for the inspections on all business establishments subject to this ordinance operating within the city, ensuring conformity to existing laws, rules, and regulations. Any violations may result in the revocation of permits or licenses and, if necessary, the closure of the business as provided for in this ordinance and its implementing rules and regulations.
- J. Social Services Development Department (SSDD)** – The official department within the City Government in charge of implementing various programs and services that respond to the issues and concerns of different disadvantaged sectors at the individual, group, and community level. The SSDD shall assist the QCVD in validating the indigent status of beneficiaries.

SECTION 2 COVERAGE OF TAX INCENTIVE – To be eligible for the tax incentive under this Ordinance, a Participating Veterinary Clinic must perform a cumulative minimum of twenty (20) spay or neuter surgeries within a calendar year on canines or felines owned by certified Indigent Residents of Quezon City. The incentive shall be granted in the form of a Tax Credit applicable against the clinic's assessed Local Business Tax (LBT) for the succeeding year, encouraging actual and continuing participation in the City's spay/neuter program.

SECTION 3. COMPUTATION AND VALUATION CAP –

- A. Maximum Credit per Animal** – If the clinic's published or billed rate for the surgery exceeds Two Thousand Pesos (PHP 2,000.00), the deductible base shall remain strictly capped at Two Thousand Pesos (PHP 2,000.00). Consequently, the maximum tax credit earned shall not exceed 50% of the deductible base or One Thousand Pesos (PHP 1,000.00) per qualified animal, regardless of the procedure for spay or neuter.
- B. Overall Tax Incentive Ceiling:** The total accumulated tax credit granted to a Participating Veterinary Clinic shall have an overall ceiling equivalent to thirty percent (30%) of the veterinary clinic's previous-year Local Business Tax due. This ensures the benefit remains proportionate to actual tax liability. This 30% ceiling is applied to the succeeding year's tax liability, subject to applicable rules and verification.

SECTION 4. REGISTRATION – Participating veterinary clinics must be duly registered to conduct business in Quezon City in order to avail of the tax incentive provided herein and shall also register with the QCVD, in accordance with the rules and guidelines to be promulgated under the Implementing Rules and Regulations (IRR).

SECTION 5. VERIFICATION, DOCUMENTATION, & MONITORING

PROCESS – To ensure the integrity of the tax incentive program, the following strict documentation and monitoring protocols shall be observed:

A. Indigency Verification: Prior to the performance of the surgery, the clinic must secure and keep on file a certified true copy of the Certificate of Indigency of the pet owner issued by the Barangay or the SSDD.

B. Surgical Registry and Logbook: Every Participating Veterinary Clinic shall maintain a dedicated Spay/Neuter Registry (physical or digital) which shall include:

1. Name, address, and contact details of the indigent owner;
2. Description and photograph of the canine or feline (breed, color, markings, age, sex);
3. Date and time of the surgery;
4. Total cost of the procedure conducted;
5. Name and PRC license number of the attending veterinarian; and
6. Post-operative status of the animal upon discharge.

C. Compliance Reporting and Deadline: The clinic shall submit a Compliance Report under oath to the QCVD. To ensure that qualified clinics can obtain and use their Tax Credit Certificate before the business tax renewal period, a strict reporting deadline shall be established. All reports covering the calendar year must be submitted no later than a specific cut-off date (e.g., December 15) to be defined in the IRR, ensuring adequate time for verification.

D. On-Site Inspection and Audit: The QCVD shall have the authority to conduct unannounced on-site inspections and audits of Participating Veterinary Clinics during regular business hours to verify the accuracy of the records and the actual performance of the services.

E. Issuance of Tax Credit Certificate: The QCVD shall, after thorough verification of the Compliance Reports, endorse the qualified clinics to the City Treasurer's Office. Based on this endorsement, the CTO shall issue a Tax Credit Certificate which will serve as the official documentation of the tax credit earned by the clinic based on its qualified spay/neuter procedures. No tax credit shall be applied by the City Treasurer without the presentation of this Certificate.

F. Fraud and Penalties: Falsification of records, inflated surgical counts, or claimed incentives for non-indigent clients shall be subject to the appropriate sanctions to be provided for under the ordinance's IRR. The IRR shall also provide the remedies in case of any appeals or disputes to such sanctions.

SECTION 6. REFERRALS – Qualified Indigent Residents who are interested in Spay or Neuter Surgery for their canines or felines shall be provided with a list of Participating Veterinary Clinics by the OQVD. For this purpose, the City Mayor, members of the City Council, and barangay authorities may endorse indigent pet owners to the QCVD for referral and verification of indigency.

SECTION 7. IMPLEMENTING RULES AND REGULATIONS – The QCVD, in coordination with the City Treasurer's Office and other relevant offices, shall promulgate within sixty (60) days upon approval of this Ordinance the necessary rules and regulations for the effective and transparent implementation of this Ordinance. The detailed procedures for implementation provided in the IRR shall include, but are not limited to:

1. Reporting Frequency;
2. Submission Deadlines (ensuring alignment with the business tax renewal period);
3. Documentary Requirements;
4. Verification of Qualified Procedures;
5. Computation of the Tax Incentive;
6. Issuance of the Tax Credit Certificate; and
7. Application and Utilization of the Tax Credit.

SECTION 8. REPEALING CLAUSE – All ordinances, issuances, rules, and regulations inconsistent with the provisions of this Ordinance are hereby repealed, amended, rescinded, and/or modified accordingly.

SECTION 9. SEPARABILITY CLAUSE – If, for any reason, any provision, section, or part of this Ordinance is declared invalid or unconstitutional by a competent court, the remaining provisions not affected thereby shall remain in full force and effect.

SECTION 10. EFFECTIVITY – This Ordinance shall take effect fifteen (15) days after its full publication in at least two (2) conspicuous places in Quezon City.

ENACTED: _____, 2026.

Respectfully Submitted by:

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JOSEPH P. JUICO
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