

Committee Daily Bulletin



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COMMITTEE MEETINGS				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Agriculture and Food	Substitute Bill to HBs 62, 102, 164, 301, 557, 2175, 2266, 2749, 2833, 2840, 3523, 4089, 4224, 4286, 4632 & 4803	Reps. Nograles (K.A.), Tan (A.), Belmonte (F.), Rocamora, Casilao, Santos-Recto, Bag-ao, Ramirez-Sato, Villarin, Baguilat, Pineda, Lee, Lobregat, Deputy Speaker Garin, Reps. Bravo, and Aglipay-Villar	Establishing the Coconut Farmers and Industry Development Trust Fund, providing for its management and utilization	<p>The Committee, chaired by ANAC-IC Party-List Rep. Jose Panganiban Jr., approved the substitute bill subject to style and amendment.</p> <p>Rep. Panganiban recalled the final decision of the Supreme Court on January 24, 2012 which declared that coconut levy funds are public funds to be used solely for the benefit of the coconut farmers and the development of the coconut industry.</p> <p>Rep. Panganiban likewise mentioned that, according to the Bureau of Treasury (BTr), the total amount of coconut levy funds is P74 billion which is recorded as a Special Account in the General Fund. He emphasized the need to enact a law authorizing the use of this fund.</p> <p>Deputy Speaker Sharon Garin (Party-List, AAMBIS-OWA), author of HB 4286 and chair of the Technical Working Group (TWG) on the Coconut Levy Funds, discussed the salient features of the proposed law, particularly the specific roles of the Presidential Commission on Good Government (PCGG), Commission on Audit (COA), Privatization and Management Office (PMO), and the proposed Coconut Farmers and Industry Development Trust Fund Committee and the Ad Hoc Committee that will be responsible for the preparation of the Coconut Farmers and Industry Development Plan.</p> <p>Deputy Speaker Garin acceded to the suggestion of Minority Leader Danilo Suarez (3rd District, Quezon) to include local executives of coconut producing provinces as observers in the formulation of this Plan.</p> <p>Rep. Luis Raymund "LRay" Villafuerte Jr. (2nd District, Camarines Sur) suggested the exclusion of "palm oil industry" in the definition of "Coconut Industry Investment Fund (CIIF)," arguing that it is an industry separate from the coconut industry.</p> <p>The Committee also agreed to increase the coconut farmers' representation in the Coconut Farmers and Industry Development Trust Fund Committee to nine from six.</p>

Continuation... Agriculture and Food				Both Minority Leader Suarez and Rep. Villafuerte noted the numerous government agencies that will compose the proposed Ad Hoc Committee. They recommended to reduce its membership in order to fast-track the implementation of services that will benefit the coconut farmers and the development of the coconut industry.
Good Government and Public Accountability	HR 882	Majority Leader Fariñas	Inquiry into the use by the Provincial Government of Ilocos Norte of its shares from the excise taxes on locally manufactured Virginia-type cigarettes or the Special Support Fund under RA 7171 for a purpose other than those provided for by the said law, in its highly irregular purchase of motor vehicles made through cash advances without the benefit of public biddings for the total amount of P66.45 million	<p>The Committee, chaired by Rep. Johnny Ty Pimentel (2nd District, Surigao del Sur), will deliberate further on the issues raised relative to HR 882 in its next meeting.</p> <p>Rep. Juan Pablo "Rimpy" Bondoc (4th District, Pampanga), co-author of HR 882, reiterated the issues raised in the resolution, particularly the purportedly highly irregular purchase of motor vehicles by the Provincial Government of Ilocos Norte amounting to P66.45 million, using its share in the proceeds of the tobacco excise taxes, in violation of RA 7171. (RA 7171 promotes the development of farmers in the Virginia tobacco-producing provinces.)</p> <p>Marilyn Llaguno, audit team leader of the Commission on Audit (COA) Region I, said she has no first-hand knowledge of the alleged irregular transactions. Nevertheless, she disclosed that based on COA's audit reports on the matter, the findings were as follows:</p> <ul style="list-style-type: none"> • The disbursement vouchers of the subject transactions could no longer be located; and • The check issued by the Provincial Government of Ilocos Norte dated December 1, 2011 amounting to P18.6 million for the purchase of 40 minicabs was liquidated only a year after. <p>Speaker Pantaleon "Bebot" Alvarez (1st District, Davao del Norte) and Majority Leader Rodolfo Fariñas (1st District, Ilocos Norte), main author of HR 882, advised Llaguno to secure a copy of the alleged missing documents from concerned offices in the provincial government.</p> <p>The Department of Budget and Management (DBM), through Director Leila Rivera of the DBM's Local Government Unit and Regional Coordination Bureau, explained that under RA 7171, the special support fund shall be utilized to advance the self-reliance of the tobacco farmers in Virginia tobacco-producing provinces through the following:</p> <ul style="list-style-type: none"> • Cooperative projects that will enhance better quality of products and increase farmers' income; • Livelihood projects, particularly the development of alternative farming systems; • Agro-industrial projects that will enable tobacco farmers to be

<p>Continuation... Good Government and Public Accountability</p>				<p>involved in the management and subsequent ownership of the projects; and</p> <ul style="list-style-type: none"> • Infrastructure projects, such as farm-to-market roads. <p>The Committee will invite the following officials to attend its next meeting: Ilocos Norte Provincial Governor Imee Marcos and the Provincial Board Members, former COA provincial auditors Cornelio Viernes and Rizalino Franco Jr., and concerned officials from the Land Transportation Office (LTO) of Ilocos Norte.</p> <p>Speaker Alvarez suggested that the suppliers of the purchased motor vehicles should also be invited in the Committee's next meeting.</p> <p>Meanwhile, the Committee will subpoena the following employees of the Ilocos Norte provincial government who failed to attend today's meeting despite receiving an invitation from the Committee: Provincial Treasurer Josephine Calajate; Provincial Budget Officer Evangeline Tabulog; Accounting Office Head Eden Battulayan; Provincial Planning and Development Officer Pedro Agcaoili Jr.; General Services officer Joseph Castro; and employees of the Office of the Provincial Treasurer, Encarnacion Gaor and Genedine Jambaro.</p> <p>For the same reason, a subpoena will be issued to former Provincial Administrator Windell Chua to compel his attendance in the meeting of the Committee.</p>
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TECHNICAL WORKING GROUP MEETING				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/ DISCUSSION
	NO.	PRINCIPAL AUTHOR		
<p>Technical Working Group/Ad Hoc Subcommittee on Tax Reform for Acceleration and Inclusion (Ways and Means)</p>	<p>Draft Substitute Bill to HB 4774</p>	<p>Rep. Cua</p>	<p>Tax Reform for Acceleration and Inclusion (TRAIN) Act</p>	<p>The technical working group (TWG)/Ad Hoc Subcommittee, chaired by Quirino Rep. Dakila Carlo Cua, will deliberate further on the draft substitute bill in its next meeting.</p> <p>The TWG focused its discussion on Sections 21 to 29 of the bill amending the following provisions of the National Internal Revenue Code (NIRC) of 1997:</p> <ul style="list-style-type: none"> • Chapter V of Title VI (Excise Tax on Petroleum Products); • Chapter VI of Title VI (Excise Tax on Miscellaneous Articles); • Section 232 (Keeping of Books of Accounts); • Section 237 (Issuance of Receipts or Sales or Commercial Invoices); and • Section 264 (Failure or Refusal to Issue Receipts or Sales or Commercial Invoices, Violations Related to the Printing of such

<p>Continuation... Technical Working Group/Ad Hoc Subcommittee on Tax Reform for Acceleration and Inclusion (Ways and Means)</p>				<p>Receipts or Invoices and Other Violations).</p> <p>Rep. Cua inquired on the rationale of allowing excise taxes paid on the purchase of bunker oil used in the manufacture of excisable articles to be credited against the excise tax due these articles, as proposed in the bill.</p> <p>Head Revenue Executive Assistant Magdalena Ancheta of the Bureau of Internal Revenue's (BIR) Large Taxpayers Service-Excise explained that bunker oil is classified as a socially-sensitive product because it is often used as fuel in energy-producing and energy-intensive industries. Thus, it has a significant effect on the cost of consumer goods.</p> <p>Deputy Speaker Sharon Garin (Party-List, AAMBIS-OWA) suggested that the penalties that will be imposed on violators of the proposed law must be reconciled with the penalty provision of the NIRC.</p> <p>Undersecretary Karl Kendrick Chua of the Department of Finance (DOF) suggested that proceeds of the sale or disposition of any property confiscated or forfeited as a result of unlawful importation, sale, trading, or manufacture of fuel should accrue to the government.</p> <p>On proposed amendments to Section 237 of the NIRC, BIR Commissioner Caesar Dulay initially said that the proposal to issue electronic receipts/invoices is not intended to completely replace the manual issuance of receipts. He, however, acceded to the suggestion of Rep. Cua to fully implement the electronic receipt system within five years.</p> <p>Also during the meeting, Chua submitted to the TWG the DOF's proposed computation schedule for a four-tiered ad valorem tax rates on automobiles.</p>
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