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ORGANIZATIONAL MEETING

COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Ways and Means	Organizational meeting, adoption of the Committee's Rules of Procedure, and creation of subcommittees	<p>The Committee, chaired by Rep. Joey Sarte Salceda (2nd District, Albay), held its organizational meeting during which the Committee's Rules of Procedure for the 18th Congress was adopted.</p> <p>Likewise, the Committee created two subcommittees and designated the respective chairpersons, as follows:</p> <ul style="list-style-type: none"> • Subcommittee on Oversight - Rep. Sharon Garin (Party-List, AAMBIS-OWA); and • Subcommittee on Inquiry - Rep. Estrellita Suansing (1st District, Nueva Ecija). <p>Majority Leader Ferdinand Martin Romualdez (1st District, Leyte), who was present in the meeting, promised to extend full support to the Committee in pursuing its mandate.</p> <p>Under the Rules of the House, the Committee has jurisdiction over matters relating to the fiscal, monetary, and financial affairs of the national government including tariff, taxation, revenues, borrowing, credit, and bonded indebtedness.</p>

COMMITTEE MEETING

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Ways and Means	HB 1026 in consolidation with HBs 177, 1906, 2083, 2467, 2555, 2957, 3036, 3283 & 3357	Reps. Salceda, Suansing (H.), Deputy Speaker Villafuerte, Rep. Cua, Majority Leader Romualdez, Rep. Garin (S.), Deputy Speaker Romero, Reps. Nieto, Rodriguez, and Hofer	Amending Sections 141, 142 and 143 of RA 8424, as amended, otherwise known as the National Internal Revenue Code (NIRC) of 1997 (by increasing the excise tax on alcohol products in order to reduce the consumption of alcohol, raise additional government revenues, and address the perceived inequity in the excise tax impositions on alcohol and tobacco products)	<p>The Committee, chaired by Rep. Joey Sarte Salceda (2nd District, Albay), approved HB 1026 in consolidation with HBs 177, 1906, 2083, 2467, 2555, 2957, 3036, 3283 and 3357.</p> <p>HB 1026, authored by Rep. Salceda, is similar to the bill that was approved on Third Reading by the House during the 17th Congress.</p> <p>The authors present explained that the approval of the proposed law is in response to President Rodrigo Duterte's call to impose higher excise tax rates on alcohol products during his State of the Nation Address (SONA) last July 22.</p> <p>The immediate approval of the bill was prompted by Rep. Estrellita "Ging" Suansing (1st District, Nueva Ecija), co-author of HB 177, who invoked Rule 10, Section 48 of the House Rules, which states that measures identified as priority by the House and which were approved on Third Reading in the previous Congress "may be disposed of as matters already reported upon the approval of majority of the Members of the Committee present."</p>

Continuation... Ways and Means	HBs 176, 313, 1042, 1909, 2084, 2554, 2704, 2956 & 3356	Reps. Suansing (H.), Salceda, Singson- Meehan, Deputy Speaker Villafuerte, Reps. Cua, Garin (S.), Deputy Speakers Gonzales (A.) and Romero, and Rep. Hofer	Amending certain sections and inserting new or additional sections under the NIRC (by reducing the corporate income tax rate and rationalizing the grant of fiscal incentives to investors and locators)	<p>The Committee will deliberate further on the nine bills in its next meeting.</p> <p>Department of Finance (DOF) Undersecretary Karl Kendrick Chua presented the DOF's proposed corporate income tax and incentives reform measure and the reasons why there is a need to institute such reforms. The DOF's recommendations are embodied in its proposed Corporate Income Tax and Incentives Reform Act (CITIRA), which is the second package under the administration's Comprehensive Tax Reform Program (CTRP).</p> <p>According to Chua, the proposed CITIRA aims to gradually lower the corporate income tax rate from 30% to 20% by 2029 and to promote a fair and accountable tax incentives system that is targeted, performance-based, time-bound, and transparent.</p> <p>To complement the proposed CITIRA, Chua said there is also a need to create more skilled and hardworking talent pool and sufficient human capital investments and improve ease-of-doing business in the country especially for the small and medium enterprise community.</p> <p>Rep. Rufus Rodriguez (2nd District, Cagayan de Oro City) suggested that the DOF conduct a cost-benefit analysis to determine the CITIRA's impact on the companies registered with the Philippine Economic Zone Authority (PEZA), which are enjoying various fiscal incentives. Rep. Rodriguez believes that these companies should be exempted from the proposed tax reform law since they have been performing well and have made considerable contributions to nation-building.</p> <p>PEZA Director General Charito Plaza opined that any change in the present incentive scheme for PEZA locators will create instability in the business environment and result in loss of trust and confidence in the government. He mentioned that the investors and locators in the economic zones are the biggest contributors to the country's export income.</p> <p>On the query of Rep. Mohamad Khalid Dimaporo (1st District, Lanao del Norte) if there will be massive lay-offs as a result of the rationalization of fiscal incentives, Chua said the DOF does not expect this scenario to happen. Chua reiterated that the benefits under the proposed CITIRA, including the lowering of the corporate income tax, coupled with complementary measures such as improving the ease-of-doing business in the country, will bolster investments and create more job opportunities for Filipinos.</p>
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