



# Congressional Record

PLENARY PROCEEDINGS OF THE 17<sup>th</sup> CONGRESS, FIRST REGULAR SESSION

## House of Representatives

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No. 93

### CALL TO ORDER

*At 4:00 p.m., Deputy Speaker Romero "Miro" S. Quimbo called the session to order.*

THE DEPUTY SPEAKER (Rep. Quimbo). The session is now called to order.

### NATIONAL ANTHEM

THE DEPUTY SPEAKER (Rep. Quimbo). Everybody will please rise to sing the National Anthem.

*Everybody rose to sing the Philippine National Anthem.*

### PRAYER

THE DEPUTY SPEAKER (Rep. Quimbo). Everybody will please remain standing for a minute of silent prayer.

*Everybody remained standing for the silent prayer.*

THE DEPUTY SPEAKER (Rep. Quimbo). The Floor Leader is recognized.

REP. GARCIA (J.). Mr. Speaker, I move that we defer the calling of the roll.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. GARCIA (J.). Mr. Speaker, I move for the deferment of the approval of the Journal of the previous session.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. GARCIA (J.). Mr. Speaker, I move that we proceed to the Reference of Business.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Secretary General will please read the Reference of Business.

### REFERENCE OF BUSINESS

*The Secretary General read the following House Bills and Resolutions on First Reading, Messages from the Senate and Committee Report and the Deputy Speaker made the corresponding references:*

### BILLS ON FIRST READING

House Bill No. 5671, entitled:

“AN ACT RATIONALIZING THE ADMINISTRATIVE DISCIPLINARY MACHINERY OF THE PHILIPPINE NATIONAL POLICE AND FOR OTHER PURPOSES”

By Representative Espino

TO THE COMMITTEE ON PUBLIC ORDER AND SAFETY

House Bill No. 5672, entitled:

“AN ACT ADOPTING INTEGRATED COASTAL ECOSYSTEM MANAGEMENT AS A NATIONAL STRATEGY TO ENSURE THE SUSTAINABLE DEVELOPMENT OF COASTAL AND MARINE ENVIRONMENT AND RESOURCES, ESTABLISHING SUPPORTING MECHANISMS FOR ITS IMPLEMENTATION, AND PROVIDING FUNDS THEREFOR”

By Representative Acosta-Alba

TO THE COMMITTEE ON NATURAL RESOURCES

House Bill No. 5673, entitled:

“AN ACT AMENDING PERTINENT LAWS ON THE RETIREMENT BENEFITS AND PENSION OF UNIFORMED PERSONNEL OF THE UNIFORMED SERVICES AND PROVIDING FUNDS THEREFOR”

By Representative Matugas  
TO THE COMMITTEE ON GOVERNMENT  
ENTERPRISES AND PRIVATIZATION

House Bill No. 5674, entitled:

“AN ACT REQUIRING A LEGISLATIVE  
FRANCHISE AS A PRE-REQUISITE  
TO THE ISSUANCE OF A MINERAL  
AGREEMENT OR FINANCIAL AND  
TECHNICAL ASSISTANCE AGREEMENT  
(FTAA) FOR ANY MINING PROJECT IN  
THE PHILIPPINES, AMENDING FOR  
THIS PURPOSE SECTIONS 27 AND 33 OF  
RA 7942 OTHERWISE KNOWN AS THE  
MINING ACT OF 1995”

By Representative Cuaresma  
TO THE COMMITTEE ON NATURAL  
RESOURCES

RESOLUTIONS

House Resolution No. 1009, entitled:

“A RESOLUTION CONGRATULATING  
THE FORMER SPEAKER JOSE DE  
VENCIA JR. FOR BEING APPOINTED AS A  
SPECIAL ENVOY TO APEC AND SPECIAL  
CONCERNS”

By Representatives Villarica, Arenas, Calixto-  
Rubiano, Garcia (G.), Uy (J.), De Jesus,  
Herrera-Dy, Deloso-Montalla, Escudero,  
Silverio, Ramirez-Sato, Aragonés, Roman,  
Roa-Puno, Robes, Romualdez, Suansing (E.),  
Cayetano, Marcos, Nuñez-Malanyaon, Angara-  
Castillo, Santos-Recto, Sema and Go (A.C.)  
TO THE COMMITTEE ON RULES

House Resolution No. 1010, entitled:

“RESOLUTION CONGRATULATING AND  
COMMENDING THE BATANG GILAS  
PILIPINAS UNDER-16 (U16) MEN'S  
NATIONAL BASKETBALL TEAM FOR  
WINNING THE GOLD MEDAL IN THE  
RECENTLY CONCLUDED 2017 SOUTHEAST  
ASIAN BASKETBALL (SEABA)  
CHAMPIONSHIP HELD IN MANILA,  
PHILIPPINES FROM MAY 14-18, 2017”

By Representative Roa-Puno  
TO THE COMMITTEE ON YOUTH AND  
SPORTS DEVELOPMENT

ADDITIONAL COAUTHORS

*The list of additional coauthors is reflected in  
Journal No. 93, dated May 23, 2017.\**

MESSAGES FROM THE SENATE

Message dated May 22, 2017, informing the House of  
Representatives that the Senate on even date passed  
Senate Bill No. 1363, entitled:

“AN ACT INSTITUTIONALIZING  
TELECOMMUTING IN THE WORKPLACE  
AND FOR OTHER PURPOSES”

in which it requests the concurrence of the House  
of Representatives.

TO THE COMMITTEE ON LABOR AND  
EMPLOYMENT

Message dated May 22, 2017, informing the House of  
Representatives that the Senate on even date passed  
Senate Bill No. 1444, entitled:

“AN ACT DECLARING PROTECTED  
AREAS AND PROVIDING FOR THEIR  
MANAGEMENT, AMENDING FOR THIS  
PURPOSE REPUBLIC ACT NO. 7586,  
OTHERWISE KNOWN AS THE NATIONAL  
INTEGRATED PROTECTED AREAS  
SYSTEM (NIPAS) ACT OF 1992, AND FOR  
OTHER PURPOSES”

in which it requests the concurrence of the House  
of Representatives.

TO THE COMMITTEE ON NATURAL  
RESOURCES

COMMITTEE REPORT

Report by the Committee on Justice (Committee Report  
No. 257), re H.R. No. 1015, entitled:

“RESOLUTION DISMISSING THE VERIFIED  
COMPLAINT FOR IMPEACHMENT AND  
THE SUPPLEMENTAL COMPLAINT-  
AFFIDAVIT FILED BY REP. GARY  
C. ALEJANO AGAINST PRESIDENT  
RODRIGO ROA DUTERTE”

recommending its adoption, together with the findings,  
conclusions, and recommendations of the Committee  
in the matter of the Impeachment Proceedings  
against President Rodrigo Roa Duterte

Sponsors: Representatives Umali, Fariñas, Veloso,  
Leachon, Oaminal, Fuentebella, Revilla and Acop  
TO THE COMMITTEE ON RULES

THE DEPUTY SPEAKER (Rep. Quimbo). The  
Floor Leader is recognized.

SUSPENSION OF SESSION

REP. GARCIA (J.). Mr. Speaker, I move that we  
suspend the session.

\* See ANNEX (printed separately)

THE DEPUTY SPEAKER (Rep. Quimbo). The session is suspended.

*It was 4:03 p.m.*

#### RESUMPTION OF SESSION

*At 4:07 p.m. the session was resumed.*

THE DEPUTY SPEAKER (Rep. Quimbo). The session is resumed.

The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mme. Speaker, I move that we take up ...

THE DEPUTY SPEAKER (Rep. Quimbo). Yes, the Dep. Majority Leader is recognized.

#### CONSIDERATION OF H.B. NO. 5636 ON SECOND READING

#### PERIOD OF SPONSORSHIP AND DEBATE

REP. DEFENSOR. Mr. Speaker, I move that we consider House Bill No. 5636, contained in Committee Report No. 229, as reported out by the Committee on Ways and Means.

May I ask that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.\*

The Secretary General is directed to read only the title of the measure.

*With the permission of the Body, and since copies of the measure have been previously distributed, the Secretary General read only the title thereof without prejudice to inserting its text in the Congressional Record.*

THE SECRETARY GENERAL. House Bill No. 5636, entitled: AN ACT AMENDING SECTIONS 5, 6, 22, 24, 25, 31, 33, 34, 79, 84, 86, 99, 106, 107, 108, 109, 116, 148, 149, 155, 171, 232, 237, 238, 264 AND 288; CREATING NEW SECTIONS 148-A, 150-A, 237-A, 264-A, 264-B AND 265-A; AND REPEALING SECTIONS 35 AND 62, ALL UNDER REPUBLIC ACT NO. 8424 OTHERWISE KNOWN AS "THE NATIONAL INTERNAL REVENUE CODE OF 1997."

THE DEPUTY SPEAKER (Rep. Quimbo). The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, I move that we open the period of sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Dep. Majority Leader is recognized.

REP. DEFENSOR. To sponsor the Bill, Mr. Speaker, we have here today the distinguished Chairman of the Committee on Ways and Means, the Hon Dakila Carlo E. Cua. But also, Mr. Speaker, first to deliver a sponsorship speech and, with the permission and the authority granted by the Chairman of the Committee, likewise to sponsor, is the distinguished Lady from the First District of Nueva Ecija. I move that we recognize the Hon. Estrellita B. Suansing for the first sponsorship speech.

THE DEPUTY SPEAKER (Rep. Quimbo). The Hon. Estrellita B. Suansing is recognized to deliver her sponsorship speech.

#### SPONSORSHIP SPEECH OF REP. SUANSING (E.)

REP. SUANSING (E.). Mr. Speaker, honorable colleagues, I rise today to sponsor House Bill No. 5636, otherwise known as the Tax Reform for Acceleration and Inclusion, which is envisioned to enhance progressivity of our tax system through the rationalization of the internal revenue system. I would like to specifically sponsor the proposed excise tax on sugar-sweetened beverages (SSB) which should be holistically viewed as a health measure. There have been numerous studies that link the intake of excessive sugar with overweight and obesity. In the Philippines, the upward trend in the incidence of obesity, diabetes and other non-communicable diseases is very evident.

Under the proposed Bill, an excise tax of P10 for every liter of sugar-sweetened beverage shall be levied to curb the consumption and promote the intake of healthier beverage products. As that old saying goes, "An ounce of prevention is worth a pound of cure." Based on estimates of the Department of Finance, the government is expected to gain over P47 billion annually from the collection of this tax. Under the proposed Bill, 15 percent of the tax to be collected shall be earmarked to benefit the sugar farmers and advance their self-reliance through projects that will improve their productivity, offer alternative sources of livelihood and farming systems and, ultimately, uplift their living conditions. The entire 85 percent shall accrue to the general fund to support the efforts of the Department of Health in operationalizing and monitoring of non-tax measures that will prevent non-communicable diseases including advocacy measures that will curb lifestyle-related risk factors.

\* See MEASURES CONSIDERED (printed separately)

This tax measure will likewise provide sports facilities and access to potable drinking water in public schools throughout the country. Do we not want sports facilities in our public schools that will enhance our youth's analytical thinking, build their character and develop their leadership qualities? More importantly, proceeds of this tax will allow the expansion and development of our school-based feeding program which will ultimately eliminate poverty and malnutrition that impair childhood development. Programs on obesity, overweight and dental caries are to be launched using the funds generated from the SSB tax. Many of us may not know, but excessive intake of sugar-sweetened beverages is a leading cause of dental caries and tooth decay; and in the Philippines, 97 percent of our school age children are affected by tooth decay, according to the national oral health survey. The SSB tax shall likewise provide access to potable drinking water in public places. It is said that the Philippines is very rich in water resource. Ironically, we do not have the facilities that will provide free potable drinking water in public places. And finally, Mr. Speaker, the SSB tax will provide for proper nutrition labelling to ensure the safety, efficacy and quality of health products as defined in the Food and Administration Act of 2009.

Mr. Speaker, distinguished colleagues, this measure is a bold step that will jump-start the promotion of a healthier lifestyle and redound to the introduction of other non-tax measures that will practically rein in the incidence of overweight, obesity and diabetes in the country. With this proposed measure, the government can fast-track the country's development agenda and ensure that the fruits of economic progress trickle down to the poorest of the poor and the marginalized sectors.

We are elected legislators tasked to provide our people with laws that will ensure their well-being, welfare, security and health. It is our duty to transform our society into a cohesive force that will lead our people to a better tomorrow. As the great Champion of the Masses by the name of Ramon Magsaysay once said, and I quote: "Those who have less in life should have more in law." Scholars have always noted that history belongs not to the many who stubbornly refuse to yield to change but to the few who dare cross the threshold towards progress. I fervently hope that we will also contribute in improving the tax reform package and agree that taxes will energize the engines of growth and fuel economic development.

Mr. Speaker, I seek the support of this estimable Chamber for the immediate passage of the Tax Reform for Acceleration and Inclusion or TRAIN to propose economic reforms so that the government can introduce meaningful, social and cultural transformation designed to uplift the living conditions of our people.

Thank you, Mr. Speaker. Thank you, honorable colleagues.

THE DEPUTY SPEAKER (Rep. Quimbo). The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, next to deliver his sponsorship speech, I move that we recognize the distinguished Chairman of the Committee on Ways and Means, the Hon. Dakila Carlo Cua.

THE DEPUTY SPEAKER (Rep. Quimbo). The honorable Chairman of the Committee on Ways and Means, the tallest and smartest Member of the House is recognized to deliver his sponsorship speech.

REP. CUA. Thank you, Mr. Speaker, and Mr. Dep. Majority Leader.

Before I read my message into the record, I would also like to submit a sponsorship message written by the Hon. Deputy Speaker Romero "Miro" S. Quimbo into the record, as part of the sponsorship messages for this tax reform measure. May I now begin, Mr. Speaker.\*

THE DEPUTY SPEAKER (Rep. Quimbo). Please proceed.

#### SPONSORSHIP SPEECH OF REP. CUA

REP. CUA. Marami po sa ating mga kababayan ang nagtatanong: "Kailan kaya aasenso ang Pilipinas?" Karugtong ng tanong na iyan ay isa pang tanong, "Makakatikim din ba ng pag-asenso ang aking pamilya sa pag-asenso ng bayan?"

Bilang mga halal na opisyal, may tungkulin po tayong sagutin ang mga tanong na iyan—hindi po sa salita, kung hindi po sa gawa. Iyan ang hangad ng Tax Reform Bill, at ito po ang mga pinakamahalagang pakay nito: una, ang ibaba ang personal income tax ng mga kababayan natin para lumaki ang disposable income ng pangkaraniwang tao at madagdagan ang panggastos at pangangailangan ng kanilang pamilya; pangalawa, para sa pag-unlad ng ating bayan, layunin din ng Tax Reform Bill na palakihin ang kinikita ng ating gobyerno upang magamit natin ito para sa social welfare, infrastructure, education, healthcare, sa paglikha ng trabaho, at iba pang bagay na makabubuti para sa higit na nakararami sa ating lipunan.

Matagal na dapat naipatupad ng gobyerno ang matagal na ring kinakailangan na tax reforms, kaya lang hindi po siguro ito naging prayoridad ng mga nakaraang administrasyon. Habang lalo pong naaantala ito, lalong nade-delay ang ating economic progress. Hindi lingid sa kaalaman natin dito sa Kongreso na ang ating tax system ngayon ay kumplikado at maraming butas.

\* See ANNEX (printed separately)

Baguhin na po sana natin ito. Sinuri nang mahusay ng Committee on Ways and Means ang panukala na sa palagay namin ay makatutulong nang malaki sa pag-unlad ng Pilipinas at ng ating mga kababayan.

Sana po ay suportahan ng ating mga kasamahan ang panukalang ito. Maraming salamat, Mr. Speaker.

THE DEPUTY SPEAKER. (Rep. Quimbo). Maraming salamat, distinguished Sponsor. The Dep. Majority Leader is recognized.

#### SUSPENSION OF SESSION

REP. DEFENSOR. I move for a brief suspension of the session, Mr. Speaker.

THE DEPUTY SPEAKER. (Rep. Quimbo). The session is suspended.

*It was 4:20 p.m.*

#### RESUMPTION OF SESSION

*At 4:21 p.m., the session was resumed.*

THE DEPUTY SPEAKER. (Rep. Quimbo). The session is resumed.

The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, I move that we read into the records the sponsorship speech of the honorable Chairman Dakila Carlo Cua.

THE DEPUTY SPEAKER. (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the beautiful speech is ordered to be inserted into the Record.

The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, first to interpellate, I move that we recognize the Gentleman from COOP-NATCCO, the Hon. Anthony M. Bravo, Ph.D.

THE DEPUTY SPEAKER. (Rep. Quimbo). The Hon. Anthony M. Bravo of the Party-List COOP-NATCCO, the defender of the cooperatives, is recognized.

REP. BRAVO (A.). Thank you, Mr. Speaker.

Distinguished colleague, mga kababayan, magandang hapon po sa ating lahat.

Ngayon po ay pag-uusapan ang isang napakahalagang panukalang batas na magbibigay sa atin ng isang pangako ng pagbabago tungo sa mas magandang serbisyo at magandang buhay sa bawat mamamayang Pilipino.

Mr. Speaker, distinguished Sponsor, will the Gentleman yield to some questions from this Representation?

REP. CUA. I would be honored to answer some questions, Mr. Speaker.

REP. BRAVO (A.). Thank you, Mr. Speaker, distinguished colleague.

Will the distinguished Sponsor agree with this Representation, Mr. Speaker, that the ideal kind of taxation system for a developing country, such as ours, is a progressive one? And by "progressive system of taxation," in a nutshell, we mean that those who earn more should pay higher taxes?

REP. CUA. Yes, Mr. Speaker, we agree. We subscribe that is the meaning of a progressive tax system.

REP. BRAVO (A.). Along that line in fact, Article 6, Section 28, Paragraph 1, Mr. Speaker, distinguished colleague, of our Philippine Constitution mandates that "the Congress shall evolve a progressive system of taxation." Thank you for that answer, distinguished colleague, Mr. Speaker. By that definition and mandate, Mr. Speaker, would the Gentleman agree with this Representation that an ideal tax system should have provisions that are more beneficial to middle- and lower-income earners because they earn less? Is this correct?

REP. CUA. Yes, Mr. Speaker, that is correct.

REP. BRAVO (A.). This humble Representation represents the huge cooperative sector in this country, which has approximately millions of members nationwide. We consider ourselves as important social enterprises belonging to the lower-income bracket of society, or at best barely middle class.

Is there any provision in the House Bill that refers to cooperatives in particular or recognizes the important role of cooperatives as tools of development especially in the countryside, Mr. Speaker, distinguished colleague?

REP. CUA. I would like to ask our distinguished colleague to restate the question, please, Mr. Speaker.

REP. BRAVO (A.). Is there any provision in the House Bill that refers to cooperatives in particular or recognizes the important role of cooperatives as tools for development especially in the countryside, Mr. Speaker, distinguished colleague?

REP. CUA. Mr. Speaker, given that this is a package



that overhauls the National Internal Revenue Code, I believe in these proposed amendments, we will not find a statement to that effect but it does not mean that the Sponsor does not recognize the value of the sacrifices made by the cooperative sector for the community.

REP. BRAVO (A.). Along that line, Mr. Speaker, distinguished colleague, in particular, the proposed measure intends to remove or amend Article 109, number one, paragraph L, M and N of the existing tax code, the National Internal Revenue Code, whose provisions all refer to tax exemptions and VAT exemptions granted to cooperatives. Is that right, Mr. Speaker, distinguished colleague?

REP. CUA. Yes, Mr. Speaker.

REP. BRAVO (A.). Mr. Speaker, distinguished colleague, I yield first to the Dep. Majority Leader to have some very important matter taken up.

REP. DEFENSOR. Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). Yes, the Dep. Majority Leader is recognized.

#### SUSPENSION OF CONSIDERATION OF H.B. NO. 5636

REP. DEFENSOR. I am constrained to move for the suspension of the consideration of House Bill No. 5636 on a matter of collective privilege because we want to give way to the roll call.

So, Mr. Speaker, I move that we suspend the consideration of House Bill No. 5636, with the reservation that the Honorable Bravo will continue with his interpellation once we resume.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

#### ROLL CALL

REP. DEFENSOR. Mr. Speaker, I move to call the roll.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Secretary General will please call the roll.

*The Secretary General called the roll, and the result is reflected in Journal No. 93, dated May 23, 2017.\**

THE SECRETARY GENERAL. Mr. Speaker, the roll call shows that 209 Members responded to the call.

THE DEPUTY SPEAKER (Rep. Quimbo). With 209 Members responding to the call, the Chair declares the presence of a quorum.

The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, before we proceed, let us acknowledge the presence of our guests in the gallery. First, we have the guests of the distinguished Gentleman from the Fifth District of Quezon City, the Hon. Alfred D. Vargas. They are members of the Hemophilia Advocates of the Philippines, headed by Ms. Andrea Echavez, Mr. Arnel Tolentino and Ms. Myla Sarmiento.

THE DEPUTY SPEAKER (Rep. Quimbo). The guests of the Hon. Alfred Vargas will please stand up. (*Applause*) Welcome to the House of Representatives, guests of the second fresh-looking Member of the House.

The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, likewise, we have the guests of the distinguished Gentleman from the Third District of Camarines Sur, the Hon. Gabriel H. Bordado Jr. They are barangay officials of Naga City, headed by Punong Barangay, Jorge Salva.

THE DEPUTY SPEAKER (Rep. Quimbo). The guests of the Hon. Gabriel Bordado, welcome to the House of Representatives. (*Applause*) Yes, the Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, we also have the guests of the Gentleman from the Sixth District of Cavite, the Hon. Luis “Jon-Jon” A. Ferrer IV. They are from the Philippines Councilors’ League Cavite Federation, with Board Member Kerby Salazar; Councilors Raleigh Rusit, Ronald Perey, Junel Bayot, John Mark Cayao, Glenn Villena, and Atty. Hero Colorado.

THE DEPUTY SPEAKER (Rep. Quimbo). The guests of the Honorable “Jon-Jon” Ferrer, welcome. Magandang hapon po. (*Applause*)

Yes, the Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, we have guests from the Coop sector. They are the guests of the

\* See ANNEX (printed separately)

Gentleman from AGAP, Hon. Rico B. Geron; the Gentleman from COOP-NATCCO, Dep. Minority Leader Anthony Bravo; and likewise, also from COOP-NATCCO, Hon. Sabiniano S. Canama. They are the following organizations: Philippine Cooperative Center, Federation of Cooperative Workers Organization, Philippine Federation of Teachers and Employees Cooperative, Cooperative Union of Taguig and Pateros, Cooperative Union of Marikina City, Simbayanang ni Maria Multi-Purpose Cooperative, Signal Village National High Multi-Purpose Cooperative, Novaliches Development Credit Cooperative, San Isidro Multi-Purpose Cooperative, Pag-asa Multi-Purpose Cooperative, Holy Family Credit Cooperative, AMF Multi-Purpose Cooperative, God's Household Multi-Purpose Cooperative, VCGEC, Karuhatan Multi-Purpose Cooperative, Lingunan Multi-Purpose Cooperative, Sta. Lucia Multi-Purpose Cooperative, United Wheelers Cooperative, Holy Cross Savings and Credit Cooperative, Valenzuela Development Cooperative, Northville 2 Multi-Purpose Cooperative, Fatima Apostolate Cooperative, Birhen sa Lourdes Parish Development Cooperative Caloocan, National Capital Region Regional Cooperative Development Council, and Barangka Credit Cooperative. That will be all, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). Mangyaring tumayo at iparamdam ninyo ang inyong presensiya, ang mga miyembro po ng kooperatiba. Magandang hapon po. Welcome to the House of Representatives. *(Applause)*

REP. DEFENSOR. Also, Mr. Speaker, we have the guests of the distinguished Gentleman from the Fifth District of Batangas, the Hon. Mario Vittorio "Marvey" A. Mariño. They are our Baptist pastors from Batangas City.

THE DEPUTY SPEAKER (Rep. Quimbo). May we ask the guests of the Hon. Marvey Mariño, the most handsome Representative from the province of Batangas. Welcome po. *(Applause)*

The Dep. Majority Leader is recognized.

#### CONSIDERATION OF H.B. NO. 5636

*Continuation*

#### PERIOD OF SPONSORSHIP AND DEBATE

REP. DEFENSOR. Mr. Speaker, I move that we resume the consideration of House Bill No. 5636 and, again, kindly direct our Secretary General to read the title of the measure.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there

any objection? *(Silence)* The Chair hears none; the motion is approved.

The Secretary General is so directed to read the title of the Bill.

THE SECRETARY GENERAL. House Bill No. 5636, entitled: AN ACT AMENDING SECTIONS 5, 6, 22, 24, 25, 31, 33, 34, 79, 84, 86, 99, 106, 107, 108, 109, 116, 148, 149, 155, 171, 232, 237, 238, 264 AND 288; CREATING NEW SECTIONS 148-A, 150-A, 237-A, 264-A, 264-B AND 265-A; AND REPEALING SECTIONS 35 AND 62, ALL UNDER REPUBLIC ACT NO. 8424 OTHERWISE KNOWN AS "THE NATIONAL INTERNAL REVENUE CODE OF 1997."

THE DEPUTY SPEAKER (Rep. Quimbo). The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, the parliamentary status is that we are in the period of sponsorship and debate. Again, I move that we recognize the Hon. Anthony M. Bravo, Ph.D., for his interpellation.

THE DEPUTY SPEAKER (Rep. Quimbo). The Hon. Anthony Bravo, the defender of the cooperative movement, is recognized to continue with his interpellation.

REP. BRAVO (A.). Thank you, Mr. Speaker, distinguished colleague. Thank you very much to the Speaker who is the co-defender of the cooperative.

Mr. Speaker, distinguished colleague, we fully agree to the objectives of easing the tax burden so that there would be more take-home pay and income, as what our President has consistently said. Mr. Speaker, distinguished colleague, Your Honor, do you think that the removal of tax exemption on privileges under the new tax scheme would be that beneficial to the poor and underprivileged?

REP. CUA. Thank you for the question, distinguished colleague.

Mr. Speaker, ang hangarin po ng ating Tax Reform Bill ay maibsan ang problema ng ating mas nakahihirap na kababayan na, sa atin pong pananaw, ang pag-angat natin ng VAT threshold sa kasalukuyang P1.9 million to P3 million will mean that more organizations, whether cooperatives or private businesses which may fall below the VAT threshold, remain VAT exempt or outside the VAT system in order to protect essentially our less fortunate brothers and sisters.

REP. BRAVO (A.). Thank you for that candid answer, Mr. Speaker, distinguished colleague.

Distinguished colleague, it is a paramount position

of this Representation that the removal of tax privileges that are guaranteed by the Tax Code and the Cooperative Law in effect will result in stifling the development of cooperatives and denying them the benefits they already have under the law. Will you agree with my position, distinguished colleague, Mr. Speaker?

REP. CUA. Yes, essentially, Your Honor. The current wording of this section will repeal the benefits that are now being enjoyed by the cooperative sector.

REP. BRAVO (A.). Mr. Speaker, distinguished colleague, does the Constitution not speak of encouraging the development and growth of private social enterprises such as cooperatives so that their membership is broadened? Would you agree, therefore, that the removal of tax privileges for cooperatives would, in fact, violate the mandate of the Constitution because taxing cooperatives will surely kill coops and will not develop them, as prescribed by the Constitution, Mr. Speaker, distinguished colleague?

REP. CUA. Your Honor, could you please repeat the question?

REP. BRAVO (A.). Does the Constitution not speak of encouraging the development and growth of private enterprises or social enterprises for that matter, Mr. Speaker, such as cooperatives, so that their membership is broadened? Would you agree, therefore, that the removal of tax privileges for cooperatives would in fact violate the mandate of the Constitution because taxing cooperatives will surely kill them and will not develop them, as prescribed by the Constitution, Mr. Speaker, distinguished colleague?

REP. CUA. Your Honor, the intention of this Bill is also to raise revenues—revenues that we intend or we would also like to use to subsidize many programs including those of cooperatives. We want the cooperative sectors to grow to be an integral part of the local economy, and therefore, there is more than one way to do such. It is not only by tax incentives but more effectively subsidies and programs to empower the cooperatives, Your Honor.

REP. BRAVO (A.). Mr. Speaker, distinguished colleague, the tax exemption privileges that are enjoyed by cooperatives in this country, for this Representation, are not actually an incentives but is rather social justice. Will you agree with this Representation along that line?

Mr. Speaker, distinguished colleague, may I proceed.

REP. CUA. Yes, please.

REP. BRAVO (A.). To shorten the time, will the good Sponsor, Your Honor, Mr. Speaker, at the proper time, entertain amendments from this Representation?

REP. CUA. Mr. Speaker, distinguished colleagues, I am of the same objective as our good friend, Congressman Bravo, that we want to help the cooperatives sector.

REP. BRAVO (A.). Along that line, Mr. Speaker, distinguished colleague, ...

REP. CUA. I would like to share with the good Congressman Bravo the good information shared to me by the Majority Leader and our esteemed Speaker that they also share and they also have a heart for cooperatives. At the proper time, Your Honor, I believe the House leadership will join our advocate, Congressman Bravo, in making a superior provision on cooperatives taxation arrangement in this Bill.

REP. BRAVO (A.). Thank you very much, Mr. Speaker, distinguished colleague.

Along that line, I would like to thank sincerely the leadership and the good Sponsor for assuring this Representation that, at the proper time, a proper amendment will be entertained.

Thank you very much. I rest my case.

REP. CUA. Thank you, Your Honor.

THE DEPUTY SPEAKER (Rep. Quimbo). The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, next to interpellate, I move that we recognize the honorable Minority Leader, the distinguished Gentleman from the Third District of Quezon, Rep. Danilo “Danny” E. Suarez.

THE DEPUTY SPEAKER (Rep. Quimbo). The honorable Minority Leader, the honorable Rep. Danilo E. Suarez of the Third District of the great province of Quezon, is recognized.

Sakto lang ah.

REP. SUAREZ. Thank you, Mr. Speaker.

Mr. Speaker, before I start my interpellation, may I make some manifestation. I respectfully endorse Cong. Harlin Neil J. Abayon III as the new Minority member vice Hon. Manuel Monsour T. Del Rosario III to the Special Committee on Peace, Reconciliation and Unity.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). The Dep. Majority Leader is recognized.



## SUSPENSION OF SESSION

THE DEPUTY SPEAKER (Rep. Quimbo). The session is suspended.

*It was 4:50 p.m.*

## RESUMPTION OF SESSION

*At 4:51 p.m., the session was resumed.*

THE DEPUTY SPEAKER (Rep. Quimbo). The session is resumed.

The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, with the motion of the honorable Minority Leader, first of all, before we proceed—because we are—the parliamentary status is that we are in consideration of House Bill No. 5636. To properly give way to his motion, right now, first, Mr. Speaker, I move that we lay on the table, that is to set aside momentarily the motion of the distinguished Minority Leader so that we can properly suspend the consideration of House Bill No. 5636.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Dep. Majority Leader is recognized.

SUSPENSION OF CONSIDERATION  
OF H.B. NO. 5636

REP. DEFENSOR. Mr. Speaker, I move that we suspend the consideration of House Bill No. 5636.

THE DEPUTY SPEAKER (Rep. Quimbo). In a gallant display of liberality, is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, I move that we take off the table the motion of the honorable Minority Leader and bring it into consideration on the floor, Mr. Speaker.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Minority Leader is recognized.

REP. SUAREZ. Thank you, Mr. Speaker. Thank you, Dep. Majority Leader.

ELECTION OF REP. ABAYON TO THE SPECIAL  
COMMITTEE ON PEACE, RECONCILIATION  
AND UNITY

REP. SUAREZ. There are two manifestations that the Minority would like to endorse: Congressman Abayon as the new Minority member vice Congressman Del Rosario to the Special Committee on Peace, Reconciliation and Unity.

I so move, Mr. Speaker.

REP. DEFENSOR. Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). The Dep. Majority Leader is recognized.

REP. DEFENSOR. The Majority takes note of the manifestation of the Minority, in a manner joining the motion, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion—manifestation is put on record and approved.

ELECTION OF REP. DEL ROSARIO TO THE  
COMMITTEE ON ETHICS AND PRIVILEGES

REP. SUAREZ. Mr. Speaker, I move for the election of Congressman Del Rosario as an additional member of the Minority to the Committee on Ethics and Privileges.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is likewise noted and approved.

The Dep. Majority Leader is recognized.

REP. DEFENSOR. We note the manifestation of the honorable Minority Leader in that regard, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there anything more, Minority Leader?

REP. SUAREZ. Thank you. That is all, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). The Dep. Majority Leader is recognized.

CONSIDERATION OF H.B. NO. 5636  
*Continuation*

## PERIOD OF SPONSORSHIP AND DEBATE

REP. DEFENSOR. So, now, Mr. Speaker, we will resume our ...

THE DEPUTY SPEAKER (Rep. Quimbo). Consideration.

REP. DEFENSOR. ... consideration of House Bill No. 5636.

I so move, Mr. Speaker, but for this, kindly direct again the Secretary General to read the title of the measure.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Secretary General is, again, directed to read the title of the Bill expeditiously.

THE SECRETARY GENERAL. House Bill No. 5636, entitled: AN ACT AMENDING SECTIONS 5, 6, 22, 24, 25, 31, 33, 34, 79, 84, 86, 99, 106, 107, 108, 109, 116, 148, 149, 155, 171, 232, 237, 238, 264 AND 288; CREATING NEW SECTIONS 148-A, 150-A, 237-A, 264-A, 264-B AND 265-A; AND REPEALING SECTIONS 35 AND 62, ALL UNDER REPUBLIC ACT NO. 8424 OTHERWISE KNOWN AS "THE NATIONAL INTERNAL REVENUE CODE OF 1997."

THE DEPUTY SPEAKER (Rep. Quimbo). For record purposes, Majority Leader, may we know the status of the Bill?

REP. DEFENSOR. Mr. Speaker, the parliamentary status is that we are in the period of sponsorship and debate.

With that, Mr. Speaker, I move that we again recognize for the sponsorship the distinguished Chairman of the Committee on Ways and Means, the Hon. Dakila Carlo E. Cua.

THE DEPUTY SPEAKER (Rep. Quimbo). The Honorable Cua is recognized and the Minority Leader, ...

REP. DEFENSOR. Yes, Mr. Speaker. I likewise move that we recognize the distinguished Minority Leader for his interpellation.

THE DEPUTY SPEAKER (Rep. Quimbo). The former tax expert of the House, the Minority Leader, is recognized to deliver or conduct his interpellation.

REP. SUAREZ. Thank you, Mr. Speaker.

May I have the honor to interpellate the distinguished Sponsor of this Bill.

REP. CUA. It will be my honor, Mr. Speaker, distinguished colleague.

REP. SUAREZ. Thank you, Mr. Speaker.

Your Honor, Mr. Speaker, during the last election,

almost all candidates made their campaign promise that, if elected President, they would lower the income tax provision, considering that we are one of the most highly taxed in the region, I think it is a reasonable campaign promise. I campaigned for former Vice President Binay. I know how much he proposed as a reduction on the income tax. May I know who did you campaign for, Mr. Sponsor, Mr. Speaker?

REP. CUA. I campaigned under the banner of the Liberal Party at that time, Your Honor, Mr. Speaker.

REP. SUAREZ. So, you campaigned under—you supported the candidacy of Secretary Roxas.

REP. CUA. Yes, Your Honor, Mr. Speaker.

REP. SUAREZ. So, on that note, did he make any commitment or promise that, if elected, he would also reduce the income tax bracket of those that are earning x amount of money every month?

REP. CUA. To be honest, Your Honor, Mr. Speaker, I am not aware of any campaign promise of such candidate at that time.

REP. SUAREZ. So, both of us are totally ignorant. Maybe we can ask some of the resource persons how much did the President commit during his campaign? I am talking about then President-elect Duterte.

REP. CUA. According to our resource persons, distinguished Minority Leader, during the campaign, the President promised a P25,000 income tax rate.

REP. SUAREZ. P5,000.

REP. CUA. Monthly, that is monthly—P25,000 monthly rate.

REP. SUAREZ. Reduction on their taxes.

REP. CUA. Yes, Your Honor, Mr. Speaker. So, I think the wording was that those earning P25,000 monthly and below will be tax-free.

REP. SUAREZ. The provision that is being suggested by the Department of Finance is P30,000 and below.

REP. CUA. The current wording of this Bill, Your Honor, Mr. Speaker, is P21,000 monthly or P250,000 annually plus P82,000 annually on bonuses. So, that comes out to about P23,000.

REP. SUAREZ. Well, Mr. Speaker, during the

deliberation in the Committee on this, I raised the question of how much we are going to generate and how much we are going to lose. The figures that were given during that time was that the government would lose P139 billion. Is that still the right figure that we are discussing here?

REP. CUA. Yes, Your Honor, Mr. Speaker. Tama po, that is still the right figure.

REP. SUAREZ. So, in effect, we will say, I will give you the privilege of having more in your pocket, spend more because you will have savings, and the tendency, distinguished Sponsor, when you spend, it is all VATable. You go to food, you go to clothing, you travel, doon sa savings. So, in effect, ang end-gainer niyan ay gobyerno pa rin. Do you agree with me on that?

REP. CUA. Yes, Your Honor, Mr. Speaker.

REP. SUAREZ. So, hindi ba parang sinabi natin, I will give you P100, but dito sa proposed tax measure, I am going to get P500 from you.

Ganoon ho, 1:1 plus three. So in effect, if you will revenue neutral it, I will gain P100 as savings, the government will raise measures; but it is not P100, it is P500. So, in effect, 300 percent po ang mage-gain ng gobyerno dito sa proposed CTRP. Will those figures be accurate, Mr. Speaker, distinguished Sponsor?

REP. CUA. If I may answer, Mr. Speaker, Mr. Minority Leader, dapat po sigurong tingnan din natin kung saan manggagaling ang koleksyon o ang pagbubuwis at kung saan gagastusin po ang perang ating makokolekta. Kasi ang layunin po ng ating tax reform measure ay ipataw ang mas malaking buwis doon sa mga may mas malalaking income o kita at igastos naman po o gastusin ang ating koleksyon sa mas mahihirap o doon sa mas maliliit ang kita para po mas lalong sumigla ang ating ekonomiya. Pero tama po ang inyong figures na ang loss po ay nasa P140 ngunit ang ating gain ay nasa mahigit P300. So, sana ...

REP. SUAREZ. Yes.

REP. CUA. Opo. So, ang atin pong panukala ay ita-tax nang karagdagan ang mas may kaya sa ating lipunan upang mabigyan ng mas maraming serbisyo ang mga mas kapus-palad sa ating lipunan.

REP. SUAREZ. Well, I think it is our duty to help the needy, Mr. Speaker, distinguished Sponsor. Wala ho tayong debate roon. Ang point ko lang is, we are raising taxes at a time like this. You may agree with me

that the economy is strong. I will not debate with you on that, but these are private sector-driven. In effect, ang gobyerno ho ay hindi pa masyadong nakagagawa ng dapat gawin to trigger off and tell people, "We are doing this for you. So, I hope you do not mind, we will increase the taxes." Kasi iyon hong pagkukunan natin ng buwis, indirect taxation iyan. Karamihan ho, ang hirap talagang masangga kasi unang-una, fuel. That is from the pump station. Napakadaling kolektahin eh. So, I will delve on that later on, Mr. Speaker, distinguished Sponsor.

We have two agencies that are tasked to collect practically 80 percent of our government needs. That is the Bureau of Customs and the BIR. Now, I cannot recall but during the DBCC meeting last year, may I know from the distinguished Sponsor, being the Chair of the Ways and Means, what was the target given to these agencies as approved by the DBCC?

REP. CUA. Yes, Mr. Speaker, Your Honor, please give me a minute to gather the exact data. If I may, Your Honor, the total is P2.044 trillion; for the BIR, it is P1.6 trillion; and for the Bureau of Customs, it is P409 billion.

REP. SUAREZ. So, it is P 2.3 trillion.

REP. CUA. P2.044 iyong total.

REP. SUAREZ. That is the combined target of the Customs and the BIR.

REP. CUA. Opo.

REP. SUAREZ. So, we are half-way. May I know their performance from July 1 to December 30?

REP. CUA. Distinguished Minority Leader, may I clarify which year you wanted the data?

REP. SUAREZ. Well, the administration started July 1.

REP. CUA. July 1, 2016

REP. SUAREZ. So, when you reach December 31, you are mid-way. So, you must have a target before the year-end for these two agencies as submitted to the DBCC because that was the basis for the budget presented for 2017, Your Honor.

REP. CUA. Yes.

REP. SUAREZ. Normally, ang nangyayari diyan, pagdating ng October, November, binababaaan nila ang target. So, I am not sure whether we did that, so my

question is: What is the target and did they meet the target?

REP. CUA. For which period, Your Honor?

REP. SUAREZ. From July 1 to December 30.

REP. CUA. Of 2016?

REP. SUAREZ. Of 2016.

REP. CUA. We will get that data right away.

REP. SUAREZ. Mr. Speaker, can I—Mr. Speaker, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). Yes, the Minority Leader is recognized.

REP. SUAREZ. Can I request for a one-minute suspension of the session? I think there is still ...

REP. CUA. Yes, please, Mr. Speaker.

REP. SUAREZ. Are you ready with the figure or there still ...

REP. CUA. I have the actual collection, but we are looking for the target.

REP. SUAREZ. Thank you.

#### SUSPENSION OF SESSION

THE DEPUTY SPEAKER (Rep. Quimbo). The session is suspended.

*It was 5:08 p.m.*

#### RESUMPTION OF SESSION

*At 5:09 p.m., the session was resumed.*

THE DEPUTY SPEAKER (Rep. Quimbo). The session is resumed.

The distinguished Sponsor is recognized.

REP. CUA. Thank you, Mr. Speaker. The actual collection was in the tune of P789 billion. The target was P845 billion.

REP. SUAREZ. Can the Sponsor, kindly repeat the—are we over the target?

REP. CUA. No, we achieved 93 percent of our target.

REP. SUAREZ. Ninety-three percent of our target. So we are 7 percent off target.

REP. CUA. Yes, Your Honor.

REP. SUAREZ. Am I correct there, Your Honor?

REP. CUA. That is correct, Your Honor.

REP. SUAREZ. And distinguished Sponsor, if you follow the attrition, that is attritable.

REP. CUA. Attritable, yes.

REP. SUAREZ. But what I am trying to drive at is, we had laws that we have studied thoroughly during the past Congresses that are not being implemented but, nevertheless, you are saying that we are 7 percent off target and can I have that in pesos and cents? How much will that be, the off target of these two agencies. If it is 7 percent off, how many billions is that, distinguished Sponsor?

REP. CUA. That is, approximately, P55 billion, Your Honor.

REP. SUAREZ. Fifty-five billion pesos off target.

REP. CUA. Yes.

REP. SUAREZ. Did they adjust the target in the month of October, November?

REP. CUA. Yes, Your Honor, the targets were set by the previous administration.

REP. SUAREZ. Was it reduced?

REP. CUA. Yes.

REP. SUAREZ. So, ni-reduce nga, off ka pa ng 7 percent.

REP. CUA. Your Honor, for the entire year, the achievement or the collection was 97 percent, but for the second semester, it was only 93 percent.

REP. SUAREZ. Distinguished Sponsor, Mr. Speaker, you know that one thing that is very difficult to legislate is tax, and I sympathize with your situation. I used to chair your committee and I know how difficult it is. We asked and we studied the sentiment of the people. As you know, distinguished Sponsor, if there is any country that we should blame for this inefficiency on taxation, it is the America. You know why? The Americans practically taught us everything

except how to collect taxes. Can you recall, iyong mga kababayan natin pag iyan ay sinulatan ng IRS, takot na takot sila?

REP. CUA. Tama po.

REP. SUAREZ. Because they are disciplined to pay. I do not know why the Americans did not train us to be good taxpayers. Kaya ito ho ang culture natin. It is a way of life, distinguished Sponsor, to cheat the government in terms of taxation, because there are but very few people really who pay the right taxes, except those receiving monthly, and deductions are taken from their pay envelope, and that is a 98-percent efficiency.

So, that is the problem that is on hand right now. We are saying, we are coming up with this new measure and your target is to collect. As I have said, I will give you one and I will take four, so in effect, may net na three ang gobyerno and you are saying that in this program, this money will be spent thoroughly to those that are needy. I will not debate with you on that because in this administration, we have a President who is known to be honest, and that is one character that makes your request somewhat difficult to refuse because we know that the President is honest. So, wala na ho tayong pag-uusapan na baka ...

REP. CUA. Wala na po.

REP. SUAREZ. ... sabihin na manakaw iyong pera. Maganda ho iyong proposal.

So babalik lang ho ako sa isyung ito. Ang pino-propose ninyong pagkukunan ng pera ay ang pinakamadaling kolektahin, and that is fuel. So hindi ho ba tayo dapat, una, gumawa ng mga move to improve the efficiency of these two agencies first before we attack the issue on this? Once you attack fuel, lahat ho tayo tatamaan e. So, may I know from your resource persons, what are they doing about these two agencies, namely: the BIR and the Bureau of Customs?

REP. CUA. Well, Your Honor, under this new administration, sinisikap naman po talaga nating pagbutihin iyong koleksiyon ng ating dalawang ahensiya, ang BIR at ang BOC. Kung makikita ninyo sa mga balita sa iba't ibang media spaces, seryoso po ang ating Pangulo. Siya mismo ang nagsalita laban sa mga tax evaders, laban sa mga smuggler at sa mga iba't ibang umiiwas sa tungkuling magbayad ng kanilang dapat bayarang buwis. Karagdagan po diyan, dito sa ating panukalang batas, mayroon po tayong mga ipinapasok o gustong simulan na efficiency administrative measures that employ technology. So, isa po diyan ay ang fuel-marking system, para sa ganoon masiguro natin na

ang pagtaas ng excise tax sa petrolyo ay makokolekta ng gobyerno at hindi magbubunga ng mas rampant na smuggling.

Nagpapanukala din po tayo na magkaroon ng relaxation of bank secrecy pagdating sa tax evasion matters. Nagpapanukala din tayo ng isang sistema na makonekta ang lahat ng point of sale machines ng malalaking mga retailers sa buong bansa, na makonekta na po ito sa BIR, para sa ganoon mabawasan iyong misreporting at tax evasion on that end. Mayroon tayong ini-introduce na electronic receipts para po iyong mga benta at transaction na online o sa Internet po nagaganap ay magkaroon ng monitoring ang ating BIR at makolekta ang nararapat pong buwis. So, kaakibat po ng panukalang ito ay ang mga measure to make the system more efficient.

REP. SUAREZ. Well, Mr. Speaker, iyon hong efficiency ng koleksiyon sa mga sinasabi ninyong sistema ay totoo iyon—right from the cash register. Iyon ho naman, naka-online tayo ho niyan sa bureau kaya makikita ho natin iyon, hindi ho ba? So, ang leak ho doon ay napakaliit. Pero, as I have said, dapat ho pinag-aaralan natin ang culture bago ho ninyo inilabas iyong CTRP—as I have said, iyong culture ho muna ng ating kababayan.

Tingnan ho ninyo ang aking gustong i-highlight. Magtanong ka dito sa ating hall na ito, pati na iyong mga audience. Wala diyang maniniwala na ang BIR at Bureau of Customs ay hindi tumitira, hindi ho ba? Then, we are coming up here with a new measure again. Now, we have a dedicated, brave, honest, loyal, lahat na hong adjectives ng magaling na Presidente, nandoon. Maybe the Department can sit down thoroughly with the President and ask him, “Medyo rendahan nga nating mabuti itong dalawang ahensiya.” I am not just talking about the Commissioner, distinguished Sponsor, I am talking about the RD, the port collector, et cetera, kasi nakikita ho natin mayroon pa roong lapse, mayroon pa hong loopholes, bakit hindi ho natin unahin iyon, kaysa sa magkakuwan ho tayo ng indirect taxation—kasi pag indirect taxation at tinira mo ang metro ng gasoline, tama tayong lahat kasi iyon ho ang pinakamadali e.

So, convince us first, distinguished Sponsor, that that certain measure is being implemented by the agency to arrest these issues.

REP. CUA. Distinguished Speaker, Minority Leader, I have here a document that describes the collection initiatives of our revenue agencies. They have programs like Oplan Kandado, where they have centralized Arrears Management Teams. They have streamlined requirements and shortened the processing time to become more efficient for the taxpayers. They have intensified the compromise settlement program so that the focus will be on revenues and they have

been advocating the exemption from the Salary Standardization Law. Also, in this document are some large taxpayers that the BIR has been running after. Some corporations, some of which we have seen on television and in the media, some others we cannot disclose the identity as the law mandates that the taxpayer's identity has to be kept.

REP. SUAREZ. Thank you for that information, distinguished Sponsor. May I know from your resource persons, what is your success story in your tax case that is filed with the Court of Tax Appeals?

REP. CUA. Your Honor, are you asking for the percentage of successful...

REP. SUAREZ. Distinguished Sponsor, let me work back a little. This Representation created the Court of Tax Appeals as the sole court for all tax cases. In-eliminate po natin iyong mahabang judicial process that you start with the Municipal Court. Isipin po ninyo iyong noong mga nakaraang panahon at ang nagawa ng Kongreso—papaylan ng BIR ang isang supposedly tax evader, ifa-file niya sa Municipal Trial, at pag natalo siya, pupunta siya sa Regional Trial Court tapos pupunta siya sa Court of Tax Appeals, Court of Appeals at sa Supreme Court. Ano ho ang ating natutunan during those years? Ang chronological history ng tax cases natin are 25 to 30 years unresolved kaya ho kinrieyt natin na isa na lamang na korte at nang mawala na po iyong mahabang judicial process, so gusto lang nating makita sa Kongreso, ginawa namin iyong batas na ito para matulungan ang revenue collection. Now, can we be given a success story of how effective that measure was?

REP. CUA. According to our resource person, Your Honor, the Run After Tax Evaders or the RATE program's success rate is not very high, with only two convictions. It is also partly due to the absolute Bank Secrecy Law which we also intend to relax to empower our revenue-collecting agents to run after the tax evaders.

REP. SUAREZ. So, ang gusto ko hong malaman ay kung marami na ho ba tayong naipanalo sa CTA, distinguished Sponsor?

REP. CUA. Your Honor, if you can give me a few minutes while they try to gather the number of pending cases in the CTA and how many have been successful ...

REP. SUAREZ. Before the Speaker—I would just like to—my memory is bad also, Mr. Speaker, distinguished Sponsor. This Representation asks that there be some changes in the system. For any tax case

of avoidance or evasion, it is being handled by the Department of Justice. Am I correct?

REP. CUA. Yes, Your Honor.

REP. SUAREZ. The study of tax evasion or avoidance is being done in the bureau, by their legal department. Ngayon, bakit pagdating sa husgado, ang haharap ay Department of Justice? Ano naman ang alam noon? Walang kamuwang-muwang doon sa issue, siya ang pahaharapin mo, kaya lagi tayong talo.

We have been asking that. Baguhin ninyo ang sistema. Let the Bureau's legal people handle the tax cases. They are the ones knowledgeable about the issue. When are we going to change that system?

REP. CUA. I agree with you, Your Honor, and I think we can work together on that initiative to fix that part of the system, to make sure that the revenue agency is the one to appear in court and to pursue that matter or case.

REP. SUAREZ. Well, maybe, what we can do is, spend some more, get the best and the brightest when it comes to—and pay them well, that is another issue.

Mr. Speaker, I have still vonuminous questions to ask but there are other Members of the House who would like to interpellate the Sponsor. So, I would like to, at the same time, maybe, confer with the distinguished Sponsor on some issues that I will take up so that it will not take much of the time of the Plenary.

Thank you, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). Thank you, Minority Leader.

REP. CUA. Thank you, distinguished Minority Leader.

THE DEPUTY SPEAKER (Rep. Quimbo). The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, for the next interpellation, I move that we recognize the Gentleman from ACT TEACHERS, the Hon. Antonio L. Tinio.

THE DEPUTY SPEAKER (Rep. Quimbo). The Hon. Antonio L. Tinio of Party-List ACT TEACHERS, is recognized.

REP. TINIO. Maraming salamat, Mr. Speaker. Well, Mr. Speaker, una sa lahat, siguro nais ko pong banggitin na noong unang isinalang ang Bill na ito, partikular iyong substitute Bill, ay isinama po ako sa mga coauthors ng Bill na ito. Kaya kung titingnan ninyo po iyong teksto natin ng House Bill No. 5636, kasama po



ako sa mga nag-introduce ng Bill na ito, at ang dahilan po ay kinonsolideyt po iyong House Bill No. 57 na aking ipinanukala, kasama ni Rep. France L. Castro ng aming Party-List ACT TEACHERS, at ang House Bill No. 57 na ito, sa partikular, ay nagpapanukala ng pagbaba ng income tax para sa lahat ng mamamayan. So, ito po ang dahilan kung bakit sa consolidation ay kasama po ako sa mga coauthors. Ngunit kamakailan lamang, bago umabot sa plenaryo ang substitute Bill na ito ay nagpahayag na po ako ng withdrawal sa pagka-coauthor, dahil po—at ito po ang tatalakayin ko at bahagi ito ng aking matatalakay sa interpellation. Hindi na po tayo sang-ayon na isama sa pakete ng Comprehensive Tax Reform ng administrasyon ang aming panukala na lowering ng income tax, pero gayunpaman, nais kong linawin sa Speaker, sa mga kasamahang nandito, sa Sponsor at sa publiko na patuloy naming isinusulong at ipinaglalaman ang pagbaba ng income tax, at totoong kasama pa rin ang panukalang lowering ng income tax dito sa substitute Bill, at positibo iyan, ngunit hindi tayo sumasang-ayon sa pagkakasama o pagkakatukang ng mga bago at sa tingin natin ay kontra-mahirap na buwis na ipapataw bilang bahagi ng Comprehensive Tax Reform package na ito.

Kaya, Mr. Speaker, unang-una, well, bagaman sa kabuuan ay may pagtutol tayo sa buong pakete, hindi ibig sabihin nito na walang mga positibong probisyon sa panukalang batas na ito. Ang isang nais ko lang pong linawin sa Sponsor ay, tama po ba ang pagkakaunawa natin na kasama po sa panukalang dito ang amendment ng Bank Secrecy Law? Tama po ba, for the record, para malinawan na ngayon ay bibigyan na ng kapangyarihan ang Commissioner ng BIR na humingi at makatanggap ng information sa mga bank account ng kahit sinong taxpayer kung may kaugnayan ito sa kasong tax evasion, at sasaklawin ng kapangyarihang ito ng Commissioner, hindi lamang iyong mga bank accounts, personal or individual bank accounts in Philippine currency, kung hindi kasama rin iyong mga accounts in foreign currencies? Tama po ba iyon, Mr. Speaker, G. Isponsor?

REP. CUA. Sa pagkakasulat po—salamat sa inyong tanong, Mr. Speaker, at distinguished colleague—sa pagkakasulat po ng ating panukala ngayon sa substitute Bill, ang isang bank account ng ating isang mamamayan ay maaari lamang mabuksan upon the order of the court after an investigation of the proper authorities.

REP. TINIO. Yes, tama po iyon. Kailangang may court order at kinakailangan na iyong paghingi ng information ng Commissioner ng BIR ay may kinalaman sa kasong tax evasion. Pero, tama po ba—ang malinaw dito na covered hindi lamang iyong mga peso accounts in Philippine peso, but also foreign currency

deposits? Dinidiin po natin ito kasi alam naman natin na sa kasalukuyang Bank Secrecy Laws natin, and in particular, iyong Foreign Currency Deposit Act, absoluto po ang secrecy dito na kahit pa nga mga kaso ng impeachment and the like ay hindi pinahihintulutan ang pagbubukas sa mga account na ito nang walang consent noong may-ari ng bank account. Pero sa amendment na narito ngayon, malinaw po na covered na iyan. Tama po ba?

REP. CUA. Tama po na kapag may court order at ang account whether peso or foreign currency denominated ay maaaring ipabukas ng korte.

REP. TINIO. Maraming salamat, Mr. Speaker, at sa tingin ko mahalagang amendment ito na magbibigay ng sapat at higit na kapangyarihan sa BIR na partikular na makapaghabol lalo na sa mga tax evader. Hindi na ngayon puwedeng gawing idahilan ng BIR na hindi nila mahabol ang mga malalaking tax evader dahil sa Bank Secrecy Law natin. So, at least, isang positibo po ito. Ngayon, punta po tayo dito sa mga proposal kaugnay sa lowering ng income tax. At katulad ng sinabi ko po bilang panimula ay sa katunayan, isa po ako sa mga nagpanukala ng Bill para sa paggawa ng income tax and, in fact, hindi gaanong nalalayo ang nilalaman ng substitute Bill na ito sa ipinanukala namin. Mr. Speaker, tama po ba na sa ilalim ng panukala na ito ay magiging exempted na sa pagbabayad ng income tax ang mga indibidwal na kumikita ng hindi hihigit sa P250,000 sa isang taon. Tama po ba iyon?

REP. CUA. Tama po, Your Honor.

REP. TINIO. Tama po iyon. So, Mr. Speaker, mga magkano ang monthly income noong mga makikinabang? Para rin sa kaalaman ng publiko, magkano iyong monthly income ng mga makikinabang kung sakaling maisabatas ito?

REP. CUA. Your Honor, Mr. Speaker, ang lumabas sa aking calculator ay P20,833.33 per month.

REP. TINIO. So, kapagka ang monthly na suweldo ng isang indibidwal ay mahigit kumulang P20,000 ay hindi kailangang magbayad ng income tax, tama po iyon. Ngayon, sa kabilang banda naman, ang pinakamataas na tax rate po ngayon sa bagong panukala ay itinaas na po. Kung dati ay nasa P500,000 a year ang maximum na income tax bracket, ngayon ay itinaas po ito sa higit sa P5 milyon kada taon na kita at kapagka ganito ay aabot sa—may fixed rate, of course, na P1.4 million plus 35 percent of the excess over P5 million. Tama po ba na ganyan na po ang pinakamataas na bracket sa panukalang ito?

REP. CUA. Yes, Your Honor, tama po, P1.450 million.

REP. TINIO. Okay. Sa palagay ko, again, positibo ito dahil nga mas katugma na o mas nai-adjust na sa kasalukuyang cost of living iyong mga rates na ito hindi tulad noong kasalukuyang batas na pumapatak pa sa P500,000 iyong pinakamataas na bracket. So, iyan po sa tingin natin ang positibo. At sabi natin, kung ito lamang ang panukala, wala po tayong problema na suportahan nang todo-todo ang panukalang batas na ito. Gayunpaman, alam natin na ito ay isang pakete, package, kaya kailangang puntahan na natin iyong iba pang mga sangkap ng package na ito. For the record lang po, Mr. Speaker at G. Isponsor, dahil nga mayroong adjustment sa mga personal income tax rates na magresulta sa mas malaking take-home pay para sa mga fixed income earners, sa tantiya po natin, halimbawa, iyong example natin ng kumikita ng P20,000 a month dahil hindi na magbabayad ng income tax, so exempted—papatak sa mahigit-kumulang P2,000 a month ang dagdag sa kaniyang take-home pay. So, substantial po ang magiging pakinabang ng mga mamamayang ito.

Magkano po, sa tantiya ng proponent ang revenue, ang kita ng gobyerno o ang koleksyon na mababawas dahil sa pagbabago o pagbababa ng income tax rates sa panukalang ito?

REP. CUA. Ang tantiya po ng ating Finance Department ay nasa approximately P140 billion.

REP. TINIO. So, mawawalan po ng P140 billion kada taon ang gobyerno in terms of revenue o collection mula sa mga fixed income earners. Kailangang tandaan po natin ito, P140 billion ang mawawala. Gayunpaman, alam natin na sa package na ito, may mga pambawi at iyan na nga iyong concerns natin. Dahil sa mga pambawi, anu-ano po ba iyan? Una, ang excise tax on fuel; pangalawa, ang pagtanggap ng exemptions sa VAT or ang expansion of VAT coverage; pangatlo, excise tax on vehicles; pang-apat, ang excise tax on sugar-sweetened beverages; at ilan pang measures.

Mr. Speaker, G. Isponsor, magkano po sa kabuuan, kung susumahin lahat ng bagong revenue measures na ipinapanukala rito, magkano naman ang tinantantiyang kikitain ng gobyerno mula sa mga bagong buwis?

Tandaan po natin, kanina, P140 billion ang mababawas sa koleksyon ng gobyerno. Magkano naman ang kikitain ng gobyerno sa mga bagong panukalang ito?

REP. CUA. Mr. Speaker, ang neto na kikitain ng gobyerno ay nasa P157 billion po.

REP. TINIO. One hundred fifty-seven billion na neto.

REP. CUA. Opo.

REP. TINIO. Neto na. Ibig po sabihin, minus the P140 billion. Tama po ba ito?

REP. CUA. Tama po.

REP. TINIO. In other words, all in all, mahigit P300 billion ang dagdag na koleksyon tapos binawas dito ang P140 billion na mawawala. Pakiulit lang, P157 billion po ba?

REP. CUA. One hundred fifty-seven.

REP. TINIO. Mr. Speaker, P157 billion na netong kita, so kailangang idiin din po natin ito. Yes, may P140 billion in addition na take-home pay na mababalik sa bulsa o mananatili sa bulsa ng mga ordinaryong mamamayan lalo na ng fixed income earners. Very positive, magandang balita po iyan. At dapat lang po, matagal nang dapat ginawa ito ng gobyerno dahil kailangan din po nating banggitin na dahil din naman sa kapabayaang ng gobyerno mismo, umabot tayo sa ganitong sitwasyon.

Sabi po sa tax code mismo, na huling inamiyendahan bandang 1997, responsibilidad ng BIR at ng Department of Finance na panapanahon ay i-review at irekomenda ang adjustment sa income tax rates para sumabay sa inflation, sa pagtaas ng halaga ng mga bilingin at iba pa. Ngunit hindi kailanman ginawa ito ng gobyerno. Kaya ang nangyari ay tinatawag na bracket creep. Kung noong 1997, nasa mababang income tax bracket ka; ngayon 2017, nasa top income tax bracket ka na. Ang example po rito, mula sa sektor na aking kinakatawan, ang eduskasyon, ang Principal—ang principal noong 1997 ay nasa lower income tax bracket, possibly sa second or third lowest tier ng income tax. Dahil sa bracket creep, sa ngayon, may mga Principal na mahigit P500,000 per year na ang kita, kaya nasa pinakamataas na income tax bracket na sila at sinisingil sa pinakamataas na rate at 32 percent. Pareho lang po ang income tax rate nila ng mga bilyonaryong Pilipino.

Ito po ang injustice na dapat lang na ina-address. Katulad ng sinabi kanina, ang panukala rito, iwawasto ito. Ang P140 billion ay mananatili na sa mga bulsa ng fixed income earners. Pero sa panukala o package na ito, hindi lang babawiin ito kung hindi kikitita pa dahil sa netong P157 billion. Ang tanong po, sino ang magbabayad nito? Saan manggagaling ang netong kita ng gobyerno na P157 billion?

Kami po sa Makabayan bloc, ang suri namin, ultimately, manggagaling siyempre sa taxpayers, lalo na ang mga consumer dahil excise tax at VAT ang panukalang ito. Lahat po ng consumer ay magbabayad. Pero ang susunod na tanong dito, sino ang pinakamabigat

na tatamaan ng mga bagong consumption taxes na ipatutupad kung maisasabatas ito?

Ang suri po namin sa Makabayan bloc, ang mga mahihirap ang pinakamabigat na tatamaan. Bakit natin nasabing ang mga mahihirap? Punta po tayo doon sa una at pinakamalaki ang target na bagong taxes. Iyan po iyong excise taxes on fuel and petroleum products. Dalawa po ang panukala rito: una, pagtaas ng rate ng excise tax sa mga produkto na sa kasalukuyan ay mayroon ng excise tax. Ito ang gasoline and certain other petroleum products. Pangalawa, ang pagpataw ng excise tax sa mga produkto na kasalukuyang zero o walang excise tax, at ito ang lalong mabigat. Kasama dito ang diesel, LPG at kerosene.

Pasadahan lang po natin nang mabilis para malinaw sa lahat ng mga kasamahan natin at sa publiko. Mr. Speaker, anu-ano ba ang fuel products na papatawan ng buwis at magkano ang ipapataw na buwis? Mr. Speaker, tama po ba na three years? Puwedeng isa-isahin ko po ang mga probisyon dito or puwede rin, para mapabilis, banggitin na lang ng Sponsor, whichever the Sponsor prefers.

THE DEPUTY SPEAKER (Rep. Quimbo). Congressman Cua will please respond.

REP. CUA. Ang katanungan po ba ay kung aling mga produkto?

REP. TINIO. Alin at magkano po?

For the record, I think, importante na marinig at malaman din ng mga kasamahan natin at ng publiko, lalo na kung magkano exactly ang itataas na rates.

REP. CUA. Okay po.

Magaganap po ito sa loob ng tatlong taon, Mr. Speaker, dahil ang layunin natin ay hindi mabigla ang ekonomiya sa pagtaas ng excise tax sa petrolyo, kaya ipinanukala na ikalat ito sa loob ng tatlong taon. Sa unang taon po, ang ating lubricating oils and greases na sa ngayon ay nabubuwan ng P4.50 ay magiging P7; sa 2019, ang P7 ay magiging P9; at sa 2020, magiging P10. Ang gasolina po na leaded na sa kasalukuyan ay may tax na P5.35, sa 2018, ipinapanukala nating maging P7; P9 sa 2019; at P10 sa 2020. Ang unleaded naman na sa ngayon ay P4.35, magiging P7, P9, and P10 din po. Ang diesel na sa ngayon ay zero, walang buwis, ay magiging P3 sa 2018; P5 sa 2019; at P6 sa 2020. Ang LPG po na sa ngayon zero din ay ganoon din—P3, P5 and P6. Ang kerosene and bunker oil na zero din ay P3, P5 and P6. Ang denatured alcohol at processed gas na parehong P0.05 ngayon ay magiging P3, P5 and P6. Ang aviation fuel na P3.67 sa kasalukuyan ay

magiging P7, P9 at P10. Ang wax and petrolatum na P3.50, magiging P7, P9 at P10. Ang naphtha na P44.35 ngayon ay magiging P7, P9 at P10. Ang asphalt na sa kasalukuyan ay P0.56 ay magiging P3, P5 at P6.

Sa madaling salita po, P3 approximately sa unang taon, P2 sa pangalawang taon at P1 sa pangatlong taon.

REP. TINIO. Thank you, Mr. Speaker.

Ayan po, at least malinaw. More or less, Mr. Speaker, tama po ba na sabihin natin na mahigit-kumulang, P6 per liter ang idadagdag para sa lahat ng mga produktong petrolyo? Roughly P6 per liter, tapos ang gagawin, ang implementation nito ay sa loob ng tatlong taon.

So kung maipapasá ito ngayon, tama po ba na magsisimula ito sa 2018?

REP. CUA. Tama po.

REP. TINIO. So mula 2018 hanggang 2020, with the full implementation, madadagdag ng P6 kada litro ang lahat ng mga produktong petrolyo. Inisa-isa po ng kagalang-galang na Sponsor mula sa gasolina, lubricating oils, bunker fuel, hanggang diesel, LPG at kerosene. Ito nga po ang isang pangunahing concern sa Bill na ito dahil alam naman natin na lahat ng fuel products ay napaka-basic at napakaesensyal sa ekonomiya, at kapag tumaas ang presyo nito ay may epekto ito sa presyo ng lahat ng bagay, lahat ng mga produkto, lahat ng mga serbisyo.

Ang ikinababahala po natin ay ang magiging tama nito lalo na sa mga maralita, halimbawa, ang gasoline. Ang sinasabi ng marami, mayayaman naman ang kumokonsumo ng gasolina. Narinig ko na sinasabi ng mga tagapagtanggol ng panukala, ng Department of Finance, mayroon namang lowering ng income tax, kaya lalaki ang take-home pay ng mga pamilyang Pilipino. Puwede nating tanggapin iyan.

Hindi po ba, Mr. Speaker, at alam ito ng mga kasamahan natin na District Representatives, lalo na ang mga mayroong constituents sa mga liblib na lugar na kung saan, ang transportasyon, ang pinaka-common na anyo ng transportasyon ay ang habal-habal o motorsiklo. Ang mga motorsiklo po, gasolina po ang gamit dahil wala naman tayo dito ng mga diesel-powered na motorsiklo. Immediately, kapag tinaasan, pinatawan natin ng dagdag na P6 kada litro na buwis, napakatindi nito. Hindi po ba, distinguished Sponsor, Mr. Speaker? Napakabigat po nito. Actually ang isang habal-habal ride o kahit tricycle ride, alam natin may kamahalan.

Mr. Speaker, G. Isponsor, paano natin maipapaliwanag

sa ating constituents ang P6 additional kada litro na kailangang bayaran para sa motorsiklo? Binanggit ko ang habal-habal. Sa probinsya rin po, motorsiklo ang mas common mode of transport sa ngayon ng mga mas mahihirap. Direct impact ito sa kanila. Paano po natin maipapaliwanag ito, Mr. Speaker?

REP. CUA. Salamat po sa napakagandang katanungan ng ating kasamahan, Mr. Speaker.

Siguro po nararapat ibahagi ko sa ating lahat na ang 20 percent na pinakamayayaman ng ating lipunan ay kumukunsumo ng 65 percent, mahigit sa kalahati ng konsumo ng buong bayan sa fuel. Sa madaling salita, Mr. Speaker, at kagalang-galang na Kinatawan ng ACT TEACHERS, talaga pong ang tax na ito, ang buwis na ito ay mas mararamdaman talaga ng mayayaman.

I would like to share some data to give us an idea about last year, Mr. Speaker. According to the research of the Finance Department, umangat po ang presyo ng krudo ng mahigit na P12. Sa halip na pagtaas ng P12 ng krudo last year, ang inflation ay naging manageable at 2.7 percent lamang, at na-manage ng ating economic managers ang ekonomiya natin where we still posted a 6.8 percent to 7 percent GDP growth. Sa madaling salita po—whereas during the 1980s, all economists would assume that the price of fuel was directly related to inflation—wala nang direct relation ngayon. Hindi naman sa wala itong impluwensiya, ngunit hindi na po ganoon kadirekta ang kanilang correlation. So, sa ating panukala na P6 spread over three years, kung na-manage natin na 2.7 percent lang ang inflation for a P12-increase on crude oil in just a year, lalong madaling i-manage ang P6 na ikakalat natin sa tatlong taon, para hindi nga, kagaya ng nasabi ninyo, ayaw natin na lalong mahirapan nang husto ang ating pinakamahihirap na mga kababayan.

REP. TINIO. Mr. Speaker, may dalawang punto po na binanggit ang ating distinguished Sponsor na sa tingin ko ay kailangang sagutin at hindi maaaring palampasin. At dahil both sa committee level, kahit sa mga usap-usapan sa hanay ng Mayorya na mga Kongresista, naririnig ko pong paulit-ulit ang argumento na ito. Una, iyong fuel consumption daw sa ating bansa, katulad nga noong binanggit ng Sponsor, up to 63 percent ay kinukunsumo ng pinakamataas na income bracket. Kaya narinig ko pa nga, may isa tayong iginagalang na kasamahan dito, ang argumento pa nga niya, citing the statistics, na ang panukalang ito raw ang pinaka-progressive na tax proposal sa kasaysayan ng Republika na dahil nga daw iyong buwis, iyong excise tax sa fuel ay actually excise tax daw sa mayaman. So, iyon ang argumento.

Ang sinasabi rito kapag taasan mo, kapag dagdagan mo o lagyan mo ng P6 dagdag na excise tax ang diesel,

LPG, kerosene, gasolina, ang binubuwisan mo ay ang mayaman, Mr. Speaker.

Sabi ko nga hindi maaaring palampasin ito. Una, sinabi ko na kanina, in terms of direct consumption, iyong fuel po, all types of fuel, may direktang impact na po iyan sa maralita, in the case of transport, iyong mga habal-habal and so on and so forth. Sa kaso ng kerosene, napakalinaw po niyan, ang LPG, that is a fuel used by majority of Filipinos. Kasama rin po dito ang mga nasa lower income tax brackets. Pero higit dito, Mr. Speaker, kailangang basagin po natin iyong argumento na iyan dahil hindi po valid iyong sabihin nating the top income bracket accounts for 63 percent of fuel consumption in the country. That is true if we only count the direct consumers of fuel. Sa kaso po halimbawa ng diesel, saan po ba ginagamit ang diesel? Alin pong mga sektor ng ekonomiya ang pinakamalaking kumukunsumo ng diesel? Hindi naman po iyong household, hindi na po iyong mga tahanan. Alam naman po natin na ang diesel, ang pinakamalaking konsumo niyan ay nasa manufacturing, nasa mga pabrika, nasa energy production para sa mga generator, para sa mga makinarya, diesel. Iyong transport, obviously iyong mga public transportation whether bus or jeepney, diesel, including cargo—so, iyong mga truck delivery and so on and so forth, diesel—ang pinakamalaking konsumo po ay nandiyan.

Of course, sino ang direktang nagbabayad dito? Hindi iyong mga mayaman. Pero alam din naman natin na kung sila man ang nagbabayad noong excise tax, ipinapasa nila iyong cost nila bilang cost of production at reflected ito sa price ng kanilang goods and services. In that indirect manner, iyong mga maralita po ang pagbabawian noong ibinayad na mas mataas na buwis. Ultimately, ang magiging taxpayer dito, ang papasan ng additional cost ay iyong mga maralita, iyong mga namamasaha sa jeep, iyong mga bibili ng iba't ibang produkto, and so on and so forth, Mr. Speaker. So, iyon po ang una. Huwag po nating mapilit na iwasiwas iyang argumento na iyan na 63 percent of fuel consumption is accounted for by the top 10 percent of income earners in the country dahil mapanlinlang po ito.

Sana po huwag na nating gamitin at huwag nating—kaya po umaabot tayo sa absurdong argumento na iyong pagpataw ng P6 na buwis sa diesel o LPG na kasalukuyang zero ay buwis sa mayaman dahil hindi po iyon ang realidad. So, pangalawang—hindi, iyon muna, Mr. Speaker. So, baka—hindi ko alam kung mayroong kasagutan, pero ito po ang isang mahalagang argumento natin kung bakit sinasabi nating pabigat po sa mahirap ang excise tax na ito, sa fuel, sa lahat po ng fuel, especially sa diesel, LPG at kerosene.

REP. CUA. May I ask my colleague to state the question, Your Honor.

REP. TINIO. Mr. Speaker, binibigyan ko lang ng pagkakataon na tumugon kung gusto niya, pero kung hindi naman po niya gustong tumugon ay maaari po akong magpatuloy sa susunod na punto. Ang idinidiin lang po natin na hindi po tama iyong argumento at hindi po natin maaaring palampasin iyong argumento na iyong excise tax on fuel ay buwis sa mayaman; kung hindi, alam ninyo iyan, mga kapwa ko Kongresista. Kapag bumaba kayo sa inyong mga constituents, alam naman ninyo iyan na direktang mararamdaman ng inyong mga constituents lalo na iyong maralita, iyong dagdag na P6 sa gasolina, sa diesel, sa kerosene at sa LPG.

Iyon lang po, Mr. Speaker.

REP. CUA. Kung maaari pong sumagot, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). Go ahead.

REP. CUA. Ang sa atin lang po, tayo ay nagpapaliwanag base sa datos na nalakip ng ating Finance Department. Itong datos na ito ay sinuri sa pamamagitan ng research at historical evidence, at handa naman po tayong ipagbangga ang datos natin sa ibang datos na maaaring nahanap ng ating kagalang-galang na kasamahan dito sa Kamara. Ngunit sa atin pong pag-appreciate ng mga research na nanggaling po sa ating Finance Department, iyon po ang maaaring makuhang kongklusyon. Pero, Mr. Speaker, I share the concern of our colleague in the desire to protect the less fortunate of our community. I, in fact, likewise, in a private meeting with the Finance Department raised the same issues and concerns that these might be too much of a burden on our less fortunate countrymen, which is why, throughout the deliberations in the Committee on Ways and Means, we have evolved one—one portion of this Bill has evolved, which is earmarking portion into a Social Benefits Program.

Ang layunin po ng ating Social Benefits Program ay essentially tugunan ang concern na valid concern ng ating Kinatawan ng ACT TEACHERS na hindi dapat masaktan o mahirapan ang pinakamahihirap sa ating komunidad. Dito sa Social Benefits Program, we intend to empower our Chief Executive, ang Pangulong Duterte, under his office, to have vast powers, targeted powers, to provide social interventions for our least fortunate na mga kababayan.

So the menu po ng ating ipiniprisinta dito sa Social Benefits Program is not limited to, but may be the following: food subsidy in the form of bigas; healthcare subsidy in the form of discounts on pharmaceutical products and also hospitalization costs; discount for the least 50 percent of the population on all public transport modes para sila ay maaaring pumasok at umuwi mula sa kanilang trabaho nang hindi naragdagan ang kanilang gastusin.

So, iyan po ang ilan sa mga panukala na ating ibinabato kaakibat nitong repormang ito na ilulunsad natin sa ilalim ng opisina ng Pangulo para hindi nga po maapektuhan ang pinakamahihirap sa ating bayan.

REP. TINIO. Well, Mr. Speaker, salamat po at nabanggit ng ating Sponsor iyong earmarking. Sa bandang dulo na po iyon ng Bill at binanggit niya iyong Social Benefits Program na ipatutupad gamit iyong bahagya, 40 percent ang sinasabi dito na kikitain ng gobyerno o na kokolektahin ng gobyerno mula sa excise taxes on fuel. So unang punto, ito mismo ay pagkilala na ng Sponsor at saka ng Malacañang na mayroon talaga, kahit pa pinaliliit ng Sponsor kanina iyong impact. Sabi niya, “Well, kung in terms of inflation, mababa lang iyan”—manageable daw, manageable. Pero gayunpaman, ito mismo ang ebidensiya na alam nila na may tama sa maralita ang pagpataw ng P6 per liter sa mga produktong petrolyo.

So sige puntahan muna natin ito. Gusto ko rin pong malinawan kaugnay dito. Sabi nga po sa section on earmarking of incremental revenues from the Tax Reform for Acceleration and Inclusion Act, mayroon pong ipatutupad na Social Benefits Program, at ang makikinabang dito ay mga indibidwal na bibigyan ng social benefit card. Iyon po iyong nakasaad sa batas. Tapos, ang gagamitin po diyan, 40 percent ng incremental revenue, so para rin malinaw, mga magkano po iyan, iyong 40 percent na iyan of the projected incremental revenues para may idea tayo of the magnitude of this Social Benefits Program?

REP. CUA. Sa una pong taon, G. Ispiker, at kagalang-galang na kasamahan, ang revenue po sa oil excise tax is approximately P75 billion at ang 40 percent po noong P75 billion is P30 billion.

REP. TINIO. So around P30 billion po ang ...

REP. CUA. Sa unang taon.

REP. TINIO. ... ang posibleng maximum. Hindi naman sinasabi dito na gagastusin lahat iyan, pero—iyon ba ang wording? Teka nga. Well, not more than 40 percent. So puwedeng mas mababa, pero—magkano po again—40, 30?

REP. CUA. Thirty billion po sa unang taon.

REP. TINIO. Thirty billion. So P30 billion po in the first year of implementation. So para magka-idea lang po tayo kung gaano kalaki po ito, iyong kasalukuyang Conditional Cash Transfer program ng DSWD, mga around P70 billion plus. Iyong Social Benefits Program na ito, babadyetan ng halos kalahati noon, P30 billion. So mayroon na tayong P70 billion

para sa Conditional Cash Transfer. Ngayon, mayroon pang additional P30 billion para sa benefits program. Hindi po ini-specify dito kung ano iyong particular na mga benepisyo. Kanina, may binanggit kayo, mga possible specific benefits na ibibigay. Pakiulit lang po for emphasis, anu-ano po iyong mga maaaring ipatupad na benefits?

REP. CUA. Nandiyan po ang Food Subsidy Program sa pamamagitan ng bigas.

REP. TINIO. Bigas.

REP. CUA. Nandiyan po ang diskwento sa gamot, ...

REP. TINIO. Diskwento sa gamot.

REP. CUA. ... ang diskwento sa pampublikong pamasaha or public utility vehicles at andiyan po, maaaring ipaloob din dito ang programa na unconditional cash transfer. Maaari pong magkaroon ng programa dito na pinag-uusapan ngayon ng DOF na subsidy doon sa mga public utility operators na siyang magiging diskwento nila sa pagkarga ng kanilang gasolina o krudo at iyong diskwento or voucher system para sa mga pabahay.

REP. TINIO. Pabahay.

REP. CUA. Opo.

REP. TINIO. Okay. May nabanggit kayong unconditional cash transfer. May dagdag na detalye po ba kayong maibibigay? Kasi pamilyar tayo sa Conditional Cash Transfer. Ito, unconditional, so walang kondisyon. Mga magkano po iyan sa tantiya ninyo?

REP. CUA. Ang targeted po na transfers ay P300 kada buwan, sa loob ng isang taon, sa kalahating pinakamahihirap na pamilya, or 10 million households to mitigate the temporary and moderate increase in prices.

REP. TINIO. So, iniisip po ng Duterte administration na magpatupad ng unconditional cash transfer sa unang taon; P300 per month para sa five million families. Tama po ba?

REP. CUA. Ten million po.

REP. TINIO. Sorry, 10 million families. So, mamimigay na naman po ng pera ang gobyerno—10 million families, P300 per month for one year. Alam ko marami sa mga kasamahan natin may mga agam-agam na sa pagpapatuloy ng Conditional Cash Transfer na—well, namimigay ng pera ang gobyerno, pero

may mga question doon sa long-term benefits, kung mayroon man, ng programang ito; ngayon, mayroon pang unconditional cash transfer.

Anyway, iyan iyong programa. Pero ang problema, Mr. Speaker, G. Isponsor, e ayon mismo sa batas, maximum hanggang three years lang po ang Social Benefits Program na ito. Tama po ba iyon?

REP. CUA. Wala naman pong sinasabing hindi puwedeng ipagpatuloy ng administrasyon. Kung ito hong programa ay naging matagumpay ay maaari pong ipagpatuloy ito ng ating administrasyon.

REP. TINIO. Okay. Pero, ano po iyong ibig sabihin nitong “for three years not more than 40 percent yearly incremental revenue?”

REP. CUA. Iyan lang po ang siguradong source of ...

REP. TINIO. Pagkukunan ng pera.

REP. CUA. Pondo. Opo.

REP. TINIO. Okay. In other words, may garantisadong source iyong programa sa unang tatlong taon ng implementasyon, pagkatapos noon, maaari pa ring ipagpatuloy, maaaring hindi. Ganoon po ba?

REP. CUA. Sa tingin ko po, ipagpapatuloy.

REP. TINIO. Kung gayon, Mr. Speaker, sa palagay ko, kailangang mas lalo pa nating pag-usapan ito, at sa palagay ko, hindi nakasasapat na ilang mga pananalita lang sa isang probisyon na hahayaan lang natin, na ilang mga pananalita lang, ilang mga salita lang sa isa sa mga probisyon ng batas na nagpapatungkol, mas nagpapatungkol pa sa mga bagong buwis ang usapin ng unconditional cash transfer o ng Social Benefits Program, Mr. Speaker. Lalo pa at sinasabi ng Sponsor, ipinahihiwatig ng Sponsor, na hindi lamang pansamantala, kung hindi pangmatagalan ang mga programang ito—for example, iyong unconditional cash transfer. E, aba’y palagay ko ay kailangan may hiwalay na usapan pa dito, Mr. Speaker, dahil nga, alam ko, kami sa Makabayan, marami rin tayong mga kasamahan na may mga pagdududa sa bisa noong cash transfer model para sa pagtulong o para sa pagtugon sa problema ng kahirapan. Para sa amin hindi usapin ang pamimigay ng pera, kung hindi ang paglikha ng trabaho, pangmatagalang trabaho para sa maralita. Iyan po ang dapat na paglaanan ng rekurso, hindi iyong safety net, katulad nito, Mr. Speaker. So, iyan po ang isa pang concern natin na may long term social benefits program na ipinapangako rito ngunit wala namang—palagay ko kailangan pa ito ng matagalang usapan.



Pero, Mr. Speaker, balikan natin iyong usapin ng excise tax on fuel. Ang nais po nating ipunto rito ay iyong bigat ng impact nito sa maralita, kasi po, sabi nga natin, iyong excise tax on fuel, tayong lahat, bilang mga consumer, in one way or another, directly or indirectly, ang mga fuel products, lahat tayo ay magbabayad nito, pero magkaiba po ang impact sa atin, sa mga may trabaho at doon sa mga walang regular na trabaho. Kung ikaw ay may regular na trabaho, kung ikaw ay may fixed income, makikinabang ka, may pakinabang ka sa panukalang ito. Lalaki ang take-home pay mo dahil bababa ang income tax, pero kung ikaw ay minimum wage earner, Mr. Speaker, ang minimum wage earner po ba ay makikinabang sa lowering ng income tax sa kasalukuyan? Makikinabang po ba ang minimum wage earner?

REP. CUA. Well, Mr. Speaker, ang minimum wage earner ay hindi po nagbabayad ng buwis sa kasalukuyan at magpapatuloy silang hindi nagbabayad ng buwis. Ang kanilang pakinabang ay mararamdaman po nila sa pamamagitan ng serbisyo ng gobyerno tulad nga po nitong Social Benefits Program, tulad po ng mas magandang public transport system, tulad po ng mas magaganda at mahuhusay na paaralan para sa kanilang mga anak at sa iba pang mga investment at infrastructure na gagawin ng gobyerno. Dahil kung maipagpapatuloy natin ang isang panukalang magtataas ng revenue o koleksiyon ng gobyerno, maaari din pong mag-invest ang gobyerno sa paglikha ng mas maraming trabaho at maaaring magbigay ng training para sa mga minimum wage earners para sila ay umangat at kumita ng mas malaki. So iyan po lahat. Sa tingin ko, ang pinakamakikinabang sa panukalang ito ay iyong pinakamahihirap.

REP. TINIO. Well, thank you for that, Mr. Speaker.

So ang isang na-establish natin, iyong mga minimum wage earners, walang direktang pakinabang sa Comprehensive Tax Reform Proposal na ito dahil nga hindi naman sila makikinabang sa lowering ng income tax; exempted na sila sa ngayon. Lalong wala pong pakinabang doon sa lowering ng income tax iyong karamihan ng maralita, iyong mga walang regular na trabaho, iyong mga nasa informal economy, dahil obviously, hindi naman sila sinisingil ng income tax in the first place. So iyon po ang concern natin. Iyong mga may regular na trabaho, mga fixed income earners, magbabayad sila noong mas mataas na presyo ng mga bilihan dahil sa pagtaas ng excise tax. At mamaya rin, iyong VAT, isa pa iyon pero mas malaki naman ang kanilang take-home pay, substantially more, pero iyong mga maralita po, at kapag sinabi nating “maralita,” isinasama natin diyan pati nga iyong mga minimum wage earner dahil alam naman natin na iyong minimum

wage natin sa kasalukuyan ay hindi naman talaga sapat para mabigyan ng disentang pamumuhay ang isang pamilyang Pilipino. Wala naman silang additional take-home pay o take-home income na pakinabang ngunit kailangan nilang magbayad ng mas mataas na presyo ng mga bilihan at serbisyo dahil sa pakete ng mga buwis na isinusulong ng ating kagalang-galang na Sponsor, Mr. Speaker.

So, iyon po ang pangunahing dahilan kung bakit sinasabi nating anti-poor ang panukalang ito, Mr. Speaker.

Ngayon, gusto ko lang pong ituloy, alam ko may limit din ang aking oras, doon naman po sa usapin ng VAT. So, magkano po ang expected or target or projected na kikitain ng gobyerno mula sa expansion of the VAT coverage, iyong pagtanggap ng exemption sa maraming mga produkto at serbisyo. Magkano po?

REP. CUA. Nasa halaga pong P90 billion.

REP. TINIO. So P90 billion po. Actually, di ko naitanong kanina pero parang malinaw sa excise tax sa fuel, magkano po iyong projected revenue na kikitain sa full implementation nito?

REP. CUA. Sa unang taon po ay P75 billion. Sa pangalawang taon, iyong P75 billion ay magiging P125 billion. At sa ikatlong taon, iyong P125 billion ay magiging P150 billion.

REP. TINIO. So, P150 billion. Actually, doon pa lang sa excise tax on fuels sa inyong proposal ay bawi na at may kita pang kaunti. Iyong sa proposal to lower the income tax, sabi nga natin kanina, P140 billion iyon. So, kung ang usapin lang dito ay pagbaba ng income tax tapos babawiin iyong lost revenue, actually, covered iyan. Pero mayroon pang proposal, iyong pagtanggap ng mga kasalukuyan o pagbawi ng mga kasalukuyang exemption sa VAT sa iba't ibang produkto at serbisyo, na ang sinabi ninyo, P90 billion. So, malaki rin po actually ito, malaki rin, maraming mga goods and services, and again, lahat ng consumers ay tatamaan nito, kasama na iyong mahihirap.

Narinig natin kanina iyong mga kasamahan natin mula sa cooperative sector, mga Party-List Representative ng cooperative sector. So, narinig na po natin iyong kanilang argumento na iyong mga coop po, tatanggalan ng exemption. Anong mga coop ito? Mga credit cooperative, mga multi-purpose cooperative, agricultural cooperative, and so on—iba't ibang tipo ng cooperative.

Mr. Speaker, alam naman natin, sino ba ang kadalasang nagmi-miyembro ng mga cooperative sa ating lipunan? Hindi naman po iyong mga mayayaman. Again, kaya nga sumasali sa cooperative dahil mas mababa ang presyo ng produkto at serbisyo

dito, whether mga consumer goods, iyong mga pang araw-araw na konsumo, groceries, and so on, o kaya iyong pautang, credit cooperative. Sa inyong panukala, tatanggalan ninyo ng exemption. Again, tatamaan dito ang maralita, pero hindi lang po coop, kasi parang iyan po ang naha-highlight sa ngayon. Mr. Speaker, baka puwede pong ipaliwanag or i-share ng ating Sponsor, anu-ano pa ba? Give us and the public some idea. Saan manggagaling iyong P90 billion in additional revenue na ito? Ano pa ba iyong mga ibang goods and services na tatanggalan ng VAT exemption, Mr. Speaker?

REP. CUA. Marami po sa ating sistema, G. Ispiker at distinguished colleague, ang mga may exemption from the VAT system. In fact, sa buong rehiyon, we have around 140 lines of exemption, so tayo ang may pinakamaraming exemption po mula sa ating VAT system. Sa Indonesia, 37 ang kanilang linya ng exemption; sa Thailand, 35; sa Vietnam, 25; at Malaysia, 14 lang po.

Sa pagpaliwanag ng Finance Department sa ating Committee, kapag ang isang ekonomiya ay maraming butas ang VAT system, whether legal po o ilegal na butas—ang legal po na butas ay iyong mga legal exemptions at iyong mga ilegal na butas ay iyong mga tumatakas sa pagbayad ng tamang VAT dahil sa mga leakage ng ating polisiya—kapag ang isang economy ay hindi makatarungan ang pagpataw ng buwis, it is very likely or, in fact, certain, that those of the population who pay the VAT are actually subsidizing those of the population that do not pay the VAT. So, kumbaga, ang mga nakakalusot sa VAT system ay kumbaga, nagiging freeloaders in the economy, at iyong mga nagbabayad ng VAT ay doble ang kanilang pasanin dahil iyong mga hindi nagbabayad ng VAT ay pinapasan din noong mga nagbabayad.

So, Mr. Speaker, it is important, in the spirit of parity, that we really expand the VAT rates, because this expansion means pare-pareho po tayong lahat. Pare-pareho tayong Pilipino, pare-pareho tayong nagsisikap, pare-pareho tayong nagbibigay-pugay sa ating bayan at pare-pareho din tayong mag-ambag ng kaunti sa ating VAT system. Kaya po iyon ang prinsipyo sa likod ng pag-expand ng ating VAT system

REP. TINIO. Well, Mr. Speaker, napakaganda po noong prinsipyo na ipinaliwanag ng Sponsor. Sabi niya, ideally, ang isang VAT system daw ay pantay-pantay ang aplikasyon, lahat ay magbabayad ng VAT. Okay, very good, great principle. Pero, kahit mismo sa panukala ninyo, Mr. Speaker, hindi ba mayroon pa rin naman kayong mga exemption na kinikilala? Tama po ba? Lalo na iyong exemption sa VAT ng mga senior citizens at saka mga persons with disabilities. Tama po ba iyon, Mr. Speaker?

REP. CUA. Yes, Mr. Speaker, nailaban po natin ito na dapat na panatilihin ang exemption ng ating persons with disabilities dahil talagang sila ay may kapansanan sa kanilang buhay, at iyong mga senior citizens dahil naialay na po nila ang kanilang kalakhan ng kanilang buhay sa ating lipunan. Ganoon po ang ating prinsipyo.

REP. TINIO. Well, I wholeheartedly agree with that, Mr. Speaker. Of course, tama lang iyon na ang mga senior citizens at mga PWD ay i-exempt sa VAT, yes. I just brought this up because earlier, when the Sponsor was explaining the principle, he referred to those exempted from VAT as “freeloaders”—nakakalibre kayo, pasanin kayo noong mga nagbabayad noong VAT. Mr. Speaker, sa palagay ko hindi naman siguro ia-apply ng ating Sponsor ang term na “freeloader” doon sa mga senior citizens at persons with disabilities.

In other words, Mr. Speaker, even in this Bill, and even though earlier, the Sponsor articulated that principle that in general, dapat lahat tayo magbayad ng VAT pero may kinikilalang mga valid exemptions, and in this case, PWDs and senior citizens—pero, actually, hindi lang iyon eh, Mr. Speaker. Halimbawa, iyong renewable energy, covered na po ba ng VAT?

REP. CUA. Sa kasalukuyang version na po na ito, sa ating pananaw, narapat po na hindi pa isali ang renewable energy sa VAT system, Mr. Speaker, dahil ang ating ekonomiya ay hindi pa po energy self-reliant, at nais po nating isulong ang green energy. So, in this manner, we ensure the viability of investments in that sector para po hindi mamatay ang industriya ng renewable energy.

REP. TINIO. Well, again, I have no argument with the importance of developing the renewable energy sector. I brought this up not to question the exemption but just to point out, again, na despite the principle articulated by the Sponsor, in fact, kinikilala din naman na hindi lang mga sektor kung hindi may mga—hindi lang senior citizens and persons with disabilities, mga disadvantaged marginalized groups, kung hindi pati certain economic sectors which are deemed important, in one way or another, for national development ay puwede ring bigyan ng exemption. Kinikilala po iyon. So, ganoon din naman po ang argumento natin. Halimbawa, sa cooperative sector, I do not think may argumento tayo na mahalaga ang magiging papel o ang papel na ginagampanan na ng cooperative sector. Hindi po ba Congressman Bravo, sa pagtulong sa pag-angat lalo na sa mga maralita at saka sa mga lower- and even middle-level income earners sa ating lipunan? So, iyon po. In other words, hindi po absoluto iyong prinsipyong binanggit ninyo, kinikilala mismo noong Bill, so kailangang isama natin.

Isa pa po rito, actually kung titingnan ninyo po, mayroong mga version ng Bill, in fact, in an earlier version of this substitute Bill, nakalista po ang bawat isa sa mga batas na aamiyendahan para matanggal iyong tax exemption. Sa substitute version na ito, hindi na po isinama iyon, pero I believe and I hope the Sponsor, at the proper time, will reconsider and include them for the sake of transparency. I also understand na mayroong legal argument na kinakailangan kung mag-aamiyenda tayo ng batas or magrepeal ng isang batas, kailangang specific iyong repeal; hindi puwedeng blanket or general repeal lamang. So, dito po halimbawa, may mga state universities and colleges na sa kanilang mga charter, binibigyan ng tax exemption pero sa substitute Bill na iyon, tatanggalan na ng tax exemption. Just to give you an idea, Republic Act No. 6807, which created the Davao Oriental State College of Science and Technology, may VAT exemption, tatanggalan na. Ganoon din ang Aklan State College of Agriculture, ang Eastern Visayas Science High School, the Philippine State College of Aeronautics, the Partido State University, Batangas State University, Sta. Rosa Science and Technology High School, Guimaras State College, Negros Occidental Agricultural College, University of the Philippines, Mindanao University of Science and Technology, Philippine Normal University, among others.

So, alam ko iyong mga colleagues natin dito, many of them possibly are still currently serving right now, they worked hard to pass these laws and to include the VAT exemption, in this case, for State universities kasi nga may pagkilala sa halaga ng edukasyon. Ngayon, kapag tinanggalan na natin ng exemption, ano ang ibig sabihin niyan? Eh di ipapasa iyong VAT sa mga estudyante. So, increase in, if not tuition fee, then in miscellaneous fees, Mr. Speaker. Hindi po ba, following the example in the Bill itself, mayroong mga sektor, mayroong mga certain socio-economic activities na karapat-dapat na bigyan pa rin ng exemption sa VAT. Nabanggit natin sila kanina—PWDs, social o senior citizens, the renewable energy sector. What about, for example, higher education o kaya kasama rin sa mga irepeal dito socialized-housing, low-cost housing? Hindi ba kailangan din? Hindi ba socially desirable na patuloy na suportahan at ma-encourage ang mga ito, Mr. Speaker? Kasi, otherwise, again, ang magiging impact po, kapag tinanggalan natin ng VAT, tataas na naman ang presyo at tatamaan na naman dito iyong mahihirap o kaya iyon mga nasa lower income level. Iyan po ang concern natin, Mr. Speaker.

REP. CUA. Mr. Speaker, kung maaari lang po humingi ng karagdagang clarification, hindi ko po masiguro kung ang gusto ng ating kasamahan ay ilista ang mga batas na gustong irepeal o ipanatili ang kanilang mga tax privilege, Mr. Speaker. But that being

the case, I think the VAT system really for the Bill really aims to clean the VAT system.

It will never be exempt-free because one of these exemptions under the VAT system is precisely the trade and sale of agricultural products, na binibigyan ng halaga ng ating bayan ang sektor ng agrikultura.

That said, I would also like to add that the VAT system maintains a VAT threshold, na tinaasan po natin ang VAT threshold from P1.9 million to P3 million. So, ang ibig sabihin po ng pagtaas ng threshold na ito ay ang lahat ng mga entities, whether cooperatives, korporasyon o indibidwal, na ang kanilang benta o ang kanilang sales ay hindi umaangat ng mahigit na P3 milyon sa isang taon, ay mananatiling VAT-free. So, dito po sa sistema ng ating VAT system ay mayroon pa rin pong proteksiyon iyong mga pinakamaliliit sa ating lipunan. At, itinaas po natin ang threshold na ito upang makasaklaw ng mas maraming mga kababayan.

REP. TINIO. Well, Mr. Speaker, I think I have made that point, na kahit dito sa expansion ng VAT coverage, tatamaan pa rin ang mga maralita sa anyo ng mas mataas na presyo ng mga produkto at serbisyo. Iyong mga examples na ibinigay natin, bukod sa mga cooperatives, kahit mga State universities and colleges, low cost housing, and so on, and so forth.

Let me go on to my last point, Mr. Speaker, na baka ang sabihin sa akin ng pag-i-interpellate ngayon, “Well, tutol ka sa mga proposed new tax measures na ito, e paano naman iyan? Papaano makakapag-generate ng new revenues ang gobyerno? Ano ang proposal mo?”

Well, matagal na po, mula pa sa Committee level, kami sa Makabayan bloc. Sabi natin, sa halip na magpataw ng mga bagong buwis, lalo na iyong mga buwis na magiging mabigat o pasanin sa maralita ay balikan natin at ayusin ang koleksiyon ng tax administration, Mr. Speaker. In fact, just to give an example of what we mean, lumabas din po ito sa mga hearing natin in the past, na mayroong P700 billion in uncollected revenues ang BIR. Ngunit through reforms in tax administration, lumalabas na sa nakaraang anim na taon, sa P700 billion na uncollected na ito, mayroon na pong mahigit-kumulang P300 billion na nakolekta na dagdag na revenue—additional P300 billion without passing or imposing new taxes. Tama po ba iyon, Mr. Speaker? Can you confirm it? Kasi sa DOF at sa BIR po nanggaling ito.

REP. CUA. Tama po, nakakolekta tayo ng ...

REP. TINIO. Tama po.

REP. CUA. ... karagdagang P300 billion, through better administration. Ngunit kung titigil na lang po tayo

sa ganoon, marami pa po sana tayong gustong pondohan na mga programang in-invest ng ating gobyerno para lalong umangat, umasenso ang ating ekonomiya.

REP. TINIO. Well, of course, ang pinakamabilis na paraan ng additional revenue, magpataw tayo ng mga bago o karagdagang batas. Pero, the Sponsor himself admitted—imagine, let us just think about that, additional P300 billion in revenue just from reforms in tax administration. Walang ano mang bagong buwis. Three hundred billion pesos, katumbas na iyan noong tina-target ninyong kitain sa tax package na ito.

So, Mr. Speaker, kahapon lang nag-attend ako sa meeting ng ating Committee on Ways and Means, at doon nalaman natin, nagulat tayo, Mr. Speaker, pinakikinggan natin iyong implementation ng sin tax particularly iyong sin tax sa alcohol, aba ay nagulat kaming lahat na for the past five years, limang taon na po iyang Sin Tax Law na iyan ay hindi pa pala naipatutupad ng BIR iyong requirement ng batas na kailangang lagyan ng documentary stamp iyong bawat bote ng distilled alcoholic products para matiyak na nabayaran ang kanilang buwis, Mr. Speaker. That is outrageous and totally unacceptable, Mr. Speaker.

Ano ang ibig sabihin nito? Ibig sabihin nito, Mr. Speaker, naniningil ang mga producers ng alcoholic beverage, ang mga local producers natin ng mas mataas na presyo dahil nga tumaas iyong sin tax.

Mr. Speaker, if I am not mistaken, it is at around—is it P20 per liter? Magkano po ba iyong ...

REP. CUA. Thirty pesos.

REP. TINIO. Yes, P20 per liter for, in this case ang pinag-uusapan natin dito ay iyong distilled.

So, nagbabayad tayo ng P20 per liter in excise tax pero wala namang garantiya sa iyo na nagbayad ng mas mataas na aktuwal na natanggap ito ng gobyerno dahil walang documentary tax.

Mr. Speaker, ang punto ko rito, bakit parang may preferential treatment ang BIR for the past five years dito sa alcoholic beverage producers, local producers? Halimbawa, ikumpara natin sa cigarette, ang requirement ay bawat pakete kailangan may documentary stamp. Para malinaw sa lahat, bumili ako ng pakete ng sigarilyo, may additional P30 na excise tax dito, at least, dahil may stamp at alam ko na dapat nabayaran ang tax na iyan unless pineke. Pinepeke pa nga iyan. Pero, at least, mayroon nang isang level of assurance na nangyayari iyan.

Sa alcohol walang ganoon, Mr. Speaker. Tapos sa proposal ninyo ngayon, you also want to do this for fuel. Gusto ninyo bawat litro ng fuel na ibinebenta ay may fuel marking. Hindi natin na-discuss iyan pero nandiyan iyan. I think it is important to spell precisely

para matiyak nga na bawat litro na ibinebenta, bawat pakete, binabayaran iyong tamang tax noong consumer at nakakarating ito sa gobyerno. Pero, sa kaso po ng certain alcoholic beverages, wala po, hindi po ipinatupad ng BIR. So, ano ang ibig sabihin nito? Na wala tayong katiyakan na iyong tamang halaga ng excise tax sa alcoholic beverages ay aktuwal na nakokolekta at nababayaran, Mr. Speaker.

So, how much is the leakage? We cannot tell. Sinasabi ng BIR, well, may mga tao kaming nagbabantay sa pabrika so, magtiwala na tayo. They invoke the phrase “presumption of regularity.” Well, Mr. Speaker, hindi iyon ang sinasabi ng batas. Kailangan may documentary stamp tax.

So, why do I raise this, Mr. Speaker? The point is marami pang puwede at dapat gawin in terms of tax administration ang Department of Finance, ang BIR, ang Customs para makapag-generate ng dagdag na revenue at ito ang dapat na pagtuunan natin ng pansin at hindi iyong pagpataw ng mga bagong buwis na napakabigat lalo na para sa maralita, Mr. Speaker.

Kaya, inuulit ko, ito po ang dahilan kung bakit nag-withdraw po ako bilang isa sa mga author ng House Bill No. 5636. Dahil nga, bagaman positibo na iyong mga panukala natin para ibaba ang personal income tax ay nakapaloob dito at definitely pakikinabangan ito lalo na ng mga lower and middle income earners. Positibo po iyan. Sa kasamaang-palad ay itinali po, na-bundle, na-package sa mga nabanggit nating buwis lalo na iyong excise tax sa fuel at pagtanggap ng VAT exemption sa maraming mga goods and services na ang pinakamabigat na tatamaan po ay maralita.

Kaya po, panawagan natin sa Sponsor, sa mga kasamahan natin, may panahon pa po na i-review pa po natin ito at bigyan po natin ng malasakit ang ating mga kababayan lalo na ang maralita.

Sinasabi ni Pangulong Duterte paulit-ulit na he is a socialist. Well, kung socialist po ay mayroon pong partikular na malasakit sa mahirap. Unfortunately, ang tax reform proposal na ito ay pabigat sa mga mahihirap.

With that, Mr. Speaker, I end my interpellation.

Thank you.

THE DEPUTY SPEAKER (Rep. Quimbo). Thank you, Congressman Tinio.

The Dep. Majority Leader is recognized.

#### SUSPENSION OF CONSIDERATION OF H.B. NO. 5636

REP. DEFENSOR. Mr. Speaker, I move that we suspend the consideration of House Bill No. 5636.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Dep. Majority Leader is recognized.

CONSIDERATION OF H.B. NO. 5663  
ON SECOND READING

PERIOD OF SPONSORSHIP AND DEBATE

REP. DEFENSOR. Mr. Speaker, I move that we consider House Bill No. 5663, contained in Committee Report No. 242, as reported out by the Committee on Banks and Financial Intermediaries.

May I ask that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.\*

The Secretary General is directed to read only the title of the measure.

*With the permission of the Body, and since copies of the measure have been previously distributed, the Secretary General read only the title thereof without prejudice to inserting its text in the Congressional Record.*

THE SECRETARY GENERAL. House Bill No. 5663, entitled: AN ACT DESIGNATING CASINOS AS COVERED PERSONS UNDER REPUBLIC ACT NO. 9160, OTHERWISE KNOWN AS THE ANTI-MONEY LAUNDERING ACT OF 2001, AS AMENDED.

THE DEPUTY SPEAKER (Rep. Quimbo). The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, I move that we open the period of sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Quimbo). Can you repeat, Dep. Majority Leader?

REP. DEFENSOR. Mr. Speaker, I move that we open the period of sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Dep. Majority Leader is recognized.

REP. DEFENSOR. For this measure, Mr. Speaker, we have the honorable Chairman of the Committee on Banks and Financial Intermediaries, the Hon. Ben P. Evardone, to sponsor the Bill.

I move that we consider the Explanatory Note as the sponsorship speech on the measure.

THE DEPUTY SPEAKER (Rep. Quimbo). There is a ...

REP. DEFENSOR. Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). The distinguished Sponsor is recognized.

Please proceed, Dep. Majority Leader.

Yes, the Dep. Majority Leader is recognized.

REP. DEFENSOR. The parliamentary status, Mr. Speaker, is that we are in the period of sponsorship and debate, and we have just considered the Explanatory Note as the sponsorship speech on the measure. Mr. Speaker, there being no Member who registered to interpellate or speak against the measure, I move that we close the period of sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, I move that we open the period of amendments. However, there being no Committee or individual amendments, I move that we close the same.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, I move that we approve House Bill No. 5663 on Second Reading.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Quimbo). There is a motion for the approval of House Bill No. 5663 on Second Reading.

As many as are in favor, please say *aye*.

SEVERAL MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Quimbo). As many as are against, please say *nay*. (*Silence*)

APPROVAL OF H.B. NO. 5663  
ON SECOND READING

THE DEPUTY SPEAKER (Rep. Quimbo). The *ayes* have it; the motion is approved.

House Bill No. 5663 is approved on Second Reading. The Dep. Majority Leader is recognized.

\* See MEASURES CONSIDERED (printed separately)

CONSIDERATION OF H.B. NO. 5670  
ON SECOND READING

PERIOD OF SPONSORSHIP AND DEBATE

REP. DEFENSOR. Mr. Speaker, I move that we consider House Bill No. 5670, contained in Committee Report No. 245, as reported out by the Committee on Agriculture and Food and the Committee on Appropriations.

May I ask that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Quimbo). Before you do so, I would like to congratulate the honorable Governor Ben Evardone for that spectacular defense of that monumental Bill.

Yes, the Dep. Majority Leader is recognized.

REP. DEFENSOR. To continue, Mr. Speaker, please direct our Secretary General to read the title of the measure.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? *(Silence)* The Chair hears none; the motion is approved.\*

The Secretary General is directed to read only the title of the measure.

*With the permission of the Body, and since copies of the measure have been previously distributed, the Secretary General read only the title thereof without prejudice to inserting its text in the Congressional Record.*

THE SECRETARY GENERAL. House Bill No. 5670, entitled: AN ACT STRENGTHENING ASSISTANCE TO ALL FARMERS BY PROVIDING FREE IRRIGATION SERVICE FEE AND ALL OTHER SIMILAR OR RELATED FEES OR CHARGES, AMENDING FOR THE PURPOSE CERTAIN PROVISIONS OF REPUBLIC ACT NO. 3601, AS AMENDED BY PRESIDENTIAL DECREE NO. 552, PRESIDENTIAL DECREE NO. 1702, OTHERWISE KNOWN AS THE NATIONAL IRRIGATION ADMINISTRATION ACT AND REPUBLIC ACT NO. 8435, OTHERWISE KNOWN AS AGRICULTURAL AND FISHERIES MODERNIZATION ACT, AND APPROPRIATING FUNDS THEREFOR.

THE DEPUTY SPEAKER (Rep. Quimbo). The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, I move that we open the period of sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Quimbo). There is a motion.

Is there any objection? *(Silence)* The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, likewise, while today we have here the honorable Chairman of the Committee on Agriculture and Food, the Honorable Panganiban, to sponsor the Bill, and I move that we consider the Explanatory Note as the sponsorship speech on the measure.

THE DEPUTY SPEAKER (Rep. Quimbo). There is a motion.

Is there any objection? The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, there being no Member who registered to interpellate or speak against the measure, I move that we close the period of sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? *(Silence)* The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, I move that we open the period of amendments. However, there being no Committee or individual amendments, I move that we close the same.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? *(Silence)* The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, I move that we approve House Bill No. 5670 on Second Reading.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Quimbo). There is a motion for the approval of House Bill No. 5670 on Second Reading.

As many as are in favor, please say *aye*.

SEVERAL MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Quimbo). As many as are against, please say *nay*. *(Silence)*

APPROVAL OF H.B. NO. 5670  
ON SECOND READING

THE DEPUTY SPEAKER (Rep. Quimbo). The *ayes* have it; the motion is approved.

\* See MEASURES CONSIDERED (printed separately)



House Bill No. 5670 is approved on Second Reading.

The Dep. Majority Leader is recognized.

Congratulations to the ardent defense of the Hon. Jose “Bentot” T. Panganiban Jr. Congratulations. Dapat ganyan kayo magtanggol.

REP. DEFENSOR. Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). Tingin pa lang tapos na.

The Dep. Majority Leader is recognized.

#### CONSIDERATION OF H.B. NO. 187 ON SECOND READING

##### PERIOD OF SPONSORSHIP AND DEBATE

REP. DEFENSOR. Mr. Speaker, I move that we consider House Bill No. 187, contained in Committee Report No. 256, as reported out by the Committee on Agrarian Reform.

May I ask that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.\*

The Secretary General is directed to read only the title of the measure.

*With the permission of the Body, and since copies of the measure have been previously distributed, the Secretary General read only the title thereof without prejudice to inserting its text in the Congressional Record.*

THE SECRETARY GENERAL. House Bill No. 187, entitled: AN ACT PROVIDING FOR THE RESTRUCTURING AND CONDONATION OF UNPAID INTERESTS, PENALTIES, AND SURCHARGES ON LOANS SECURED BY FARMERS, FISHERFOLK AND AGRARIAN REFORM BENEFICIARIES FROM THE DEPARTMENT OF AGRARIAN REFORM (DAR), THE DEPARTMENT OF AGRICULTURE (DA), THE PEOPLE’S CREDIT AND FINANCE CORPORATION (PCFC), THE COOPERATIVE DEVELOPMENT AUTHORITY (CDA), THE NATIONAL FOOD AUTHORITY (NFA) AND THE QUEDAN AND RURAL CREDIT GUARANTEE CORPORATION (QUEDANCOR).

REP. DEFENSOR. Mr. Speaker, I move that we open the period of sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Quimbo). The honorable Sponsor, the honorable Rep. Rene L. Relampagos, is recognized.

Yes, the Dep. Majority Leader is recognized.

REP. DEFENSOR. While we have the distinguished Chairman of the Committee on Agrarian Reform, the Hon. Rene L. Relampagos, to sponsor the measure, I move that we consider the Explanatory Note as the sponsorship speech on the measure.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, there being no Member who registered to interpellate or speak against the measure, I move that we close the period of sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, I move that we open the period of amendments. However, there being no Committee or individual amendments, I move that we close the same.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, I move that we approve House Bill No. 187 on Second Reading.

##### VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Quimbo). There is a motion for the approval of House Bill No. 187 on Second Reading.

As many as are in favor, please say *aye*.

SEVERAL MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Quimbo). As many as are against, please say *nay*. (*Silence*)

##### APPROVAL OF H.B. NO. 187 ON SECOND READING

THE DEPUTY SPEAKER (Rep. Quimbo). The *ayes* have it; the motion is approved.

\* See MEASURES CONSIDERED (printed separately)

House Bill No. 187 is approved on Second Reading.

Congratulations, Congressman Rene “The Great Bishop” Relampagos!

CONSIDERATION OF H.B. NO. 5615  
ON SECOND READING

PERIOD OF SPONSORSHIP AND DEBATE

REP. DEFENSOR. Mr. Speaker, I move that we consider House Bill No. 5615, contained in Committee Report No. 224, as reported out by the Committee on Youth and Sports Development and the Committee on Appropriations.

May I ask that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.\*

The Secretary General is directed to read only the title of the measure.

*With the permission of the Body, and since copies of the measure have been previously distributed, the Secretary General read only the title thereof without prejudice to inserting its text in the Congressional Record.*

THE SECRETARY GENERAL. House Bill No. 5615, entitled: AN ACT ESTABLISHING A SPORTS COMPLEX KNOWN AS THE “NATIONAL SPORTS TRAINING CENTER” AND PROVIDING FUNDS FOR THE ACQUISITION OF PROPERTY, THE CONSTRUCTION OF FACILITIES, AND THE ADMINISTRATION, MAINTENANCE, AND MANAGEMENT OF THE CENTER.

THE DEPUTY SPEAKER (Rep. Quimbo). The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, I move that we open the period of sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Quimbo). There is a motion to open the period of sponsorship and debate, as well as to recognize the honorable Rep. Conrado M. Estrella III.

Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, I move that the

Explanatory Note of the Bill be considered as the sponsorship speech on the measure.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, there being no Member who registered to interpellate or speak against the measure, I move that we close the period of sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, I move that we open the period of amendments.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, there being no Committee or individual amendments, I move that we close the period of amendments.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, I move that we approve House Bill No. 5615 on Second Reading.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Quimbo). There is a motion by the Dep. Majority Leader to approve on Second Reading House Bill No. 5615.

As many as are in favor, please say *aye*.

SEVERAL MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Quimbo). As many as are against, please say *nay*. (*Silence*)

APPROVAL OF H.B. NO. 5615  
ON SECOND READING

THE DEPUTY SPEAKER (Rep. Quimbo). The *ayes* have it; the motion is approved.

House Bill No. 5615 is approved on Second Reading. Congratulations, Dep. Majority Leader and Rep. Conrado Estrella III!

\* See MEASURES CONSIDERED (printed separately)

CONSIDERATION OF H.B. NO. 5635  
ON SECOND READING

PERIOD OF SPONSORSHIP AND DEBATE

REP. DEFENSOR. Mr. Speaker, I move that we consider House Bill No. 5635, contained in Committee Report No. 228, as reported out by the Committee on Legislative Franchises.

May I ask that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.\*

The Secretary General is directed to read only the title of the measure.

*With the permission of the Body, and since copies of the measure have been previously distributed, the Secretary General read only the title thereof without prejudice to inserting its text in the Congressional Record.*

THE SECRETARY GENERAL. House Bill No. 5635, entitled: AN ACT EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO BRIGHT STAR BROADCASTING NETWORK CORPORATION UNDER REPUBLIC ACT NO. 7295, ENTITLED "AN ACT GRANTING THE BRIGHT STAR BROADCASTING NETWORK CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES AND FOR OTHER PURPOSES."

THE DEPUTY SPEAKER (Rep. Quimbo). The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, I move that we open the period of sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Quimbo). With the presence of the honorable Sponsor, the Chairman of the Committee on Legislative Franchises, the honorable Rep. Franz "Chicoy" E. Alvarez, with the motion of the Dep. Majority Leader, is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, I move that the Explanatory Note of the Bill be considered as the sponsorship speech on the measure.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, there being no Member who registered to interpellate or speak against the measure, I move that we close the period of sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, I move that we open the period of amendments.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, there being no Committee or individual amendments, I move that we close the period of amendments.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, I move that we approve on Second Reading House Bill No. 5635.

VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Quimbo). There is a motion to approve on Second Reading House Bill No. 5635.

As many as are in favor, please say *aye*.

SEVERAL MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Quimbo). As many as are against, please say *nay*. (*Silence*)

APPROVAL OF H.B. NO. 5635  
ON SECOND READING

THE DEPUTY SPEAKER (Rep. Quimbo). The *ayes* have it; the motion is approved.

House Bill No. 5635 is approved on Second Reading.

Congratulations for that wonderful defense, Congressman Chicoy Alvarez!

Go ahead, Dep. Majority Leader.

\* See MEASURES CONSIDERED (printed separately)

CONSIDERATION OF H.B. NO. 5660  
ON SECOND READING

PERIOD OF SPONSORSHIP AND DEBATE

REP. DEFENSOR. Mr. Speaker, I move that we consider House Bill No. 5660, contained in Committee Report No. 240, as reported out by the Committee on Revision of Laws.

May I ask that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.\*

The Secretary General is directed to read only the title of the measure.

*With the permission of the Body, and since copies of the measure have been previously distributed, the Secretary General read only the title thereof without prejudice to inserting its text in the Congressional Record.*

THE SECRETARY GENERAL. House Bill No. 5660, entitled: AN ACT DECLARING FEBRUARY 23 OF EVERY YEAR A SPECIAL WORKING HOLIDAY TO BE KNOWN AS "NATIONAL ROTARY DAY."

THE DEPUTY SPEAKER (Rep. Quimbo). The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, I move that we defer the consideration of House Bill No. 5660.

THE DEPUTY SPEAKER. (Rep. Quimbo). Can you repeat the motion.

SUSPENSION OF CONSIDERATION  
OF H.B. NO. 5660

REP. DEFENSOR. I move that we defer the consideration of this measure, Mr. Speaker, House Bill No. 5660.

THE DEPUTY SPEAKER (Rep. Quimbo). There is a motion to defer the consideration of House Bill No. 5660. Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

SUSPENSION OF SESSION

REP. DEFENSOR. Mr. Speaker, I move for a suspension of the session.

THE DEPUTY SPEAKER (Rep. Quimbo). The session is suspended.

*It was 7:04 p.m.*

RESUMPTION OF SESSION

*At 7:05 p.m., the session was resumed.*

THE DEPUTY SPEAKER (Rep. Quimbo). The session is resumed.

The Dep. Majority Leader is recognized.

CONSIDERATION OF H.B. NO. 5661  
ON SECOND READING

PERIOD OF SPONSORSHIP AND DEBATE

REP. DEFENSOR. Mr. Speaker, I move that we consider House Bill No. 5661, contained in Committee Report No. 241, as reported out by the Committee on Suffrage and Electoral Reforms.

May I ask that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.\*

The Secretary General is directed to read only the title of the measure.

*With the permission of the Body, and since copies of the measure have been previously distributed, the Secretary General read only the title thereof without prejudice to inserting its text in the Congressional Record.*

THE SECRETARY GENERAL. House Bill No. 5661, entitled: AN ACT PROVIDING FOR EARLY VOTING FOR QUALIFIED SENIOR CITIZENS AND PERSONS WITH DISABILITIES IN NATIONAL AND LOCAL ELECTIONS.

THE DEPUTY SPEAKER (Rep. Quimbo). The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, I move that we open the period of sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, I move that the

Explanatory Note of the Bill be considered as the sponsorship speech on the measure.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, there being no Member who registered to interpellate or speak against the measure, I move that we close the period of sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, I move that we open the period of amendments.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, there being no Committee or individual amendments, I move that we close the period of the period of amendments.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, I move that we approve on Second Reading House Bill No. 5661.

THE DEPUTY SPEAKER (Rep. Quimbo). There is a motion to approve on Second Reading House Bill No. 5661.

#### VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Quimbo). As many as are in favor, please say *aye*.

SEVERAL MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Quimbo). As many as are against, please say *nay*.

FEW MEMBERS. *Nay*.

#### APPROVAL OF H.B. NO. 5661 ON SECOND READING

THE DEPUTY SPEAKER (Rep. Quimbo). The *ayes* have it; the motion is approved.

House Bill No. 5661 is approved on Second Reading.  
The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, I move that we take up Business for Thursday and Friday, particularly local bills.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Dep. Majority Leader is recognized.

#### OMNIBUS CONSIDERATION OF LOCAL BILLS ON SECOND READING

REP. DEFENSOR. Mr. Speaker, I move for the omnibus consideration of the following local bills on Second Reading:

1. House Bill No. 1875, contained in Committee Report No. 225, entitled: AN ACT CONVERTING THE LAND TRANSPORTATION OFFICE (LTO) EXTENSION OFFICE LOCATED IN MUNTINLUPA CITY INTO A REGULAR LTO DISTRICT OFFICE, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES;

2. House Bill No. 5627, contained in Committee Report No. 226, entitled: AN ACT ESTABLISHING A LAND TRANSPORTATION OFFICE (LTO) IN THE CITY OF VALENCIA, PROVINCE OF BUKIDNON AND APPROPRIATING FUNDS THEREFOR;

3. House Bill No. 5638, contained in Committee Report No. 230, entitled: AN ACT DECLARING NOVEMBER 28 OF EVERY YEAR A SPECIAL NONWORKING HOLIDAY IN THE MUNICIPALITY OF SANTA MARGARITA, PROVINCE OF SAMAR, IN COMMEMORATION OF ITS FOUNDING ANNIVERSARY, TO BE KNOWN AS THE "SANTA MARGARITA FOUNDATION DAY";

4. House Bill No. 5639, contained in Committee Report No. 231, entitled: AN ACT DECLARING OCTOBER 16 OF EVERY YEAR A SPECIAL NONWORKING HOLIDAY IN THE CITY OF CALBAYOG, PROVINCE OF SAMAR, IN COMMEMORATION OF ITS CHARTER DAY ANNIVERSARY, TO BE KNOWN AS THE "CALBAYOG CITY CHARTER DAY";

5. House Bill No. 5640, contained in Committee Report No. 232, entitled: AN ACT DECLARING SEPTEMBER 3 OF EVERY YEAR A SPECIAL NONWORKING HOLIDAY IN THE CITY OF BAGUIO, PROVINCE OF BENGUET, IN COMMEMORATION OF THE SURRENDER OF THE JAPANESE MILITARY FORCES LED BY GENERAL TOMOYUKI YAMASHITA IN BAGUIO CITY;

6. House Bill No. 5641, contained in Committee Report No. 233, entitled: AN ACT

DECLARING DECEMBER 1 OF EVERY YEAR A SPECIAL NONWORKING HOLIDAY IN THE MUNICIPALITY OF PADRE GARCIA, PROVINCE OF BATANGAS, IN COMMEMORATION OF ITS FOUNDING ANNIVERSARY AND THE ANNUAL “KABAKAHAN FESTIVAL”;

7. House Bill No. 3710, contained in Committee Report No. 234, entitled: AN ACT DECLARING JUNE 27 OF EVERY YEAR A SPECIAL NONWORKING HOLIDAY IN THE CITY OF EL SALVADOR, PROVINCE OF MISAMIS ORIENTAL, IN COMMEMORATION OF ITS CHARTER DAY ANNIVERSARY, TO BE KNOWN AS “*ARAW NG EL SALVADOR*”;

8. House Bill No. 5643, contained in Committee Report No. 235, entitled: AN ACT NAMING THE POBLACION – CANIOGAN NATIONAL ROAD TRAVERSING BARANGAY POBLACION AND BARANGAY BARAKANAS, IN THE MUNICIPALITY OF TUBOD, PROVINCE OF LANA DEL NORTE AS THE ARSENIO ARCELO QUIBRANZA HIGHWAY;

9. House Bill No. 5646, contained in Committee Report No. 236, entitled: AN ACT ESTABLISHING A FISH PORT IN BARANGAY MACARASCAS IN THE CITY OF PUERTO PRINCESA, PROVINCE OF PALAWAN AND APPROPRIATING FUNDS THEREFOR;

10. House Bill No. 5647, contained in Committee Report No. 237, entitled: AN ACT ESTABLISHING A FISH PORT IN THE MUNICIPALITY OF SAN FERNANDO, IN THE ISLAND OF TICAPO, PROVINCE OF MASBATE AND APPROPRIATING FUNDS THEREFOR;

11. House Bill No. 5654, contained in Committee Report No. 239, entitled: AN ACT GRANTING A LEGISLATIVE FRANCHISE TO COTABATO ELECTRIC COOPERATIVE, INC.-PPALMA (COTELCO-PPALMA) TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN A DISTRIBUTION SYSTEM FOR THE CONVEYANCE OF ELECTRIC POWER TO THE END USERS IN THE MUNICIPALITIES OF PIKIT, PIGCAWAYAN, ALEOSAN, LIBUNGAN, MIDSAYAP AND ALAMADA, PROVINCE OF COTABATO, AND ITS NEIGHBORING SUBURBS;

12. House Bill No. 5664, contained in Committee Report No. 243, entitled: AN ACT GRANTING THE BICOL LIGHT AND POWER CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE, AND MAINTAIN A POWER DISTRIBUTION SYSTEM FOR THE CONVEYANCE OF ELECTRIC POWER TO THE END USERS IN THE TOWNS OF BAAO, BALATAN, BATO, BUHI, BULA, NABUA, AND THE CITY OF IRIGA, PROVINCE OF CAMARINES SUR; and

13. House Bill No. 5665, contained in Committee Report No. 244, entitled: AN ACT GRANTING THE MALINDANG BROADCASTING NETWORK CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN MINDANAO.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, for these measures, I move that we open the period of sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, there being no Member who registered to interpellate or speak against the measure, I move that we close the period of sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, I move that we open the period of amendments.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

#### COMMITTEE AMENDMENTS

REP. DEFENSOR. Mr. Speaker, we would like to introduce the following Committee amendments to House Bill No. 1875:

1. Section 4 of the Bill is hereby amended to read as follows: This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation; and

2. The title of the bill is hereby amended to read as follows: AN ACT CONVERTING THE LAND TRANSPORTATION OFFICE (LTO) EXTENSION OFFICE LOCATED IN MUNTINLUPA CITY INTO A REGULAR LTO DISTRICT OFFICE AND APPROPRIATING FUNDS THEREFOR.

I so move for the approval of these amendments.



THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the amendments are approved.

REP. DEFENSOR. Mr. Speaker, there being no other Committee or individual amendments, I move that we close the period of amendments.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, I move for the omnibus approval on Second Reading of House Bills No. 1875, 5627, 5638, 5639, 5640, 5641, 3710, 5643, 5646, 5647, 5654, 5664 and 5665.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). There is a motion, hearing no objection, for the aforementioned bills to be approved on Second Reading.

#### VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Quimbo). As many as are in favor, please say *aye*.

SEVERAL MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Quimbo). I will repeat. I could not hear. As many as are in favor, please say *aye*.

SEVERAL MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Quimbo). As many as are against, please say *no*.

FEW MEMBERS. *No*.

#### OMNIBUS APPROVAL OF LOCAL BILLS ON SECOND READING

THE DEPUTY SPEAKER (Rep. Quimbo). The *ayes* have it; the motion is approved.

The bills enumerated in the omnibus motion are hereby approved on Second Reading.\*

The Dep. Majority Leader is recognized.

#### CONSIDERATION OF H.B. NO. 5636

##### *Continuation*

#### PERIOD OF SPONSORSHIP AND DEBATE

REP. DEFENSOR. Mr. Speaker, I move that we resume the consideration of House Bill No. 5636 as

contained in Committee Report No. 229 and again, please direct the Secretary General to read the title of this measure.

THE DEPUTY SPEAKER (Rep. Quimbo). 5636? I think we approved that with the omnibus motion. Ah, no, yes, you are correct. You are correct. This is the Tax Reform Bill.

REP. DEFENSOR. We are back to the Tax Bill, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). Yes, there is a motion; hearing no objection, the Secretary General is to read succinctly, with clarity, the title of the very fundamental and important Bill.

THE SECRETARY GENERAL. House Bill No. 5636, entitled: AN ACT AMENDING SECTIONS 5, 6, 22, 24, 25, 31, 33, 34, 79, 84, 86, 99, 106, 107, 108, 109, 116, 148, 149, 155, 171, 232, 237, 238, 264 AND 288; CREATING NEW SECTIONS 148-A, 150-A, 237-A, 264-A, 264-B AND 265-A; AND REPEALING SECTIONS 35 AND 62, ALL UNDER REPUBLIC ACT NO. 8424 OTHERWISE KNOWN AS "THE NATIONAL INTERNAL REVENUE CODE OF 1997."

THE DEPUTY SPEAKER (Rep. Quimbo). The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, the parliamentary status is that we are in the period of sponsorship and debate. I move that we recognize the Gentleman from BAYAN MUNA, the Hon. Carlos Isagani T. Zarate, for his interpellation.

THE DEPUTY SPEAKER (Rep. Quimbo). The Hon. Carlos Zarate of BAYAN MUNA is recognized to deliver or to do his interpellation. *Articulo Uno*, please proceed.

REP. ZARATE. Maraming salamat, Mr. Speaker. Thank you, Mr. Speaker, at magandang gabi rin sa ating kagalang-galang na Sponsor.

Bilang panimula, G. Ispiker, ang BAYAN MUNA po ay naghain din ng panukalang batas, House Bill No. 333, na pinamagatang "Restructuring the Income Tax Brackets and Rates of the Tax Imposed on Taxable Income," sa kadahilanang gusto ho nating maibsan ang bigat na pinapasan ng ating mga kababayan na overtaxed na at wala namang dagdag sa kanilang mga suweldo at pag-improve sa kanilang kabuhayan.

\* See MEASURES CONSIDERED (printed separately)

Ang panukalang batas, House Bill No. 333, acknowledges that, first, the Philippines imposes the highest personal income tax in the entire ASEAN region. In fact, a Filipino individual earning P500,000 annually is taxed at 32 percent, while his ASEAN neighbors with equivalent income are taxed at the following rates: in Vietnam, 20 percent; Cambodia, 20 percent; Laos, 12 percent; Malaysia, 11 percent; Thailand, 10 percent; Singapore, two percent; and, in Brunei Darussalam, there is no income tax.

Pangalawa po, maraming mga kababayang Filipino po natin ay tumatanggap ng sahod na below the family living wage or the minimum amount needed by a family of six to meet its food and non-food needs with the little margin for savings. The family living wage in Metro Manila, G. Ispiker, ay tinatayang nasa P1,086 kada araw, while the minimum wage at its present rate is only a fraction of this amount pegged at P466. Sa kadahilanang ito, ang sitwasyon ng ating mga kababayan, kaya ho naghain kami ng panukalang batas na magpapababa sa income tax.

Sa kabuuan, ang Tax Reform Bill na aming isinusulong ay naglalayon sa mga sumusunod: first, it aims to exempt the low-income families or low-income earners from income taxation; second, it aims to fix, simplify and standardize the minimum taxable income among the varied types of individual taxpayers at P396,000 considering the prevailing family living wage of P1,086 a day multiplied by 365 days, and incorporating therein the various tax deductions or exemptions; third, it aims to restructure and simplify the income brackets and other corresponding tax rates; fourth, it aims to reduce and align the maximum tax rate with that of corporate taxpayers from the current 32 percent to 30 percent; fifth, it aims to adjust the top tax based from the current P500,000 to, at least, P2,700,000 to reflect adjustments in the Consumer Price Index; sixth, it aims to establish an automatic adjustment or indexation mechanism for an interval of at least three years; and finally, seventh, it aims to align the optional standard deduction base for individuals with OSD-based for corporations.

Si Pangulong Duterte mismo, G. Ispiker, has vowed to lower the income tax rates shouldered by our people. This was made by him during his campaign in the 2016 election, and he repeated this several times, in his several pronouncements on the subject of income tax. However, the current substituted Bill, House Bill No. 5636, is not the answer to the public's clamor for a lower income tax, and for a taxation system that will benefit most of our people.

Sa amin pong paghihimay-himay sa kasalukuyang consolidated Bill, ang nakita po natin, ang panukalang batas na ito ay nakakiling at biased doon sa mga mayayaman at malalaking korporasyon, at ito ay dagdag-pasanin ng ating mga mahihirap na kababayan.

Tinataya ng Department of Finance and the economic managers of the administration, na ayon raw sa tax reform package na ito na naka-reflect dito sa House Bill No. 5636, ang mga mayayaman ay mag-aambag o makakalikom ng pondo mula sa kanila ng halagang P178.3 billion dahil sa bumababa o reduced personal income tax, reduced corporate income taxes, estate and other donor taxes, and capital income taxes. Ang malalaki at mayayamang pamilya po, G. Ispiker, will be paying less income taxes and other taxes, while the poor majority of our people will pay higher taxes on goods and services dahil ho sa pagpapalapad ng coverage, for example, ng value-added tax at ang pagpapataw ng dagdag-buwis sa mga petrolyo.

Dahil ho dito, ang Kinatawang ito, kahapon, ay naghain din ng isang sulat sa liderato ng Kamara na tayo po ay magwi-withdraw bilang coauthor ng House Bill No. 5636 dahil sa tingin natin ay hindi ito para sa kagalingan ng ating mamamayan.

Para po baybayin natin ang mga probisyon ng kasalukuyang consolidated Bill, bakit natin ito tinututulan, totoo naman po na at nabanggit na rin kanina ng mga ilang kasamahan nating nag-interpellate na nareflect sa Bill na ito ang pakinabang sa pagpapababa, pagbabago noong income tax bracket natin. Sinabi nga kanina na ang ating mga compensation earners na kumikita ng P250,000 pababa, sa isang taon ay wala na itong babayaran buwis. Subalit, makikita rin natin dito na mayroong mga ilang probisyon na sa pagdating ng panahon ay papawi rin o babawi din sa mga ganitong pagbaba noong bracket ng income tax.

Puwedeng sabihin ng ating kagalang-galang na Sponsor na dito nga sa House Bill No. 5636, ang amended tax schedule provides for zero income tax for those earning P250,000 and below annually. Subalit, nakita natin dito, sa ating paghihimay, na ang taxable base ng income ay posible pa ring tataas sa darating na mga panahon dahil sa mga kadahilanang ito: una, ang fringe benefits po will now form part of the gross income effective the year 2020; pangalawa, atin ding nakita rito sa panukalang batas na ito na ang premium payments, for example, ng PhilHealth and the medical insurance, are no longer considered as deductible in our gross income as stated in Section 10 and nakita rin natin dito ang pagtanggap, the removal of allowance of personal exemption for individual taxpayers.

So, ang una ho nating katanungan sa ating Sponsor ay kung exempted na po ang kumikita ng P250,000 annually, magkano ho ang magiging dagdag na take-home pay ng isang ordinaryong empleyado halimbawa na kumikita ng P250,000 or below annually dahil ho sa repormang ginawa dito sa ating income tax system?

REP. CUA. Your Honor, kung ang isang taong kumikita ng P250,000 annually, sa bagong sistema ay



wala na pong babayaranang buwis; therefore, P250,000 po sa isang taon or P21,000 sa isang buwan ang kanilang net take-home pay.

REP. ZARATE. Sa kasalukuyan po, ang kumikita ng P20,833 a month, magkano po ang kanyang binabayaranang buwis?

REP. CUA. Sa kasalukuyang sistema po, ang isang taong kumikita ng P21,000 kada buwan ay nagbabayad ng P21,867 sa buwis sa isang taon.

REP. ZARATE. So ibig sabihin po, pag naging batas na ito na sa isang taon ay mayroon siyang dagdag na savings na P21,867. Tama po ba iyon?

REP. CUA. Tama po iyon.

REP. ZARATE. Or sasabihin po nating kada buwan ay mayroon ho siyang savings na P1,822.25. Tama po ba iyong aking computation?

REP. CUA. Tama po.

REP. ZARATE. Opo. At tinuran ninyo rin po kanina na dahil sa kadahilanang nag-adjust tayo dito sa ating income tax bracket, na iyong P250,000 ay wala na ngang babayaranang tax, ang mawawala po sa ating gobyerno ay nasa P140 billion. Tama po ba iyon?

REP. CUA. Tama po.

REP. ZARATE. Ngayon, sa nabanggit ko kanina na totoo nga na mayroong adjustment na ginawa doon sa income tax natin, ang una ko pong tanong, would the Sponsor say that by including these fringe benefits in the gross taxable income of an employee for example, based on Section 10 of House Bill No. 5636, would you say Mr. Sponsor, that in effect, the government is transferring the burden to the employee, of paying the taxes supposedly that would be paid by the employer?

REP. CUA. Yes, Your Honor, that would mean that the fringe benefit will be considered as compensation and therefore corresponding taxes will be accrued.

REP. ZARATE. Sa kasalukuyan po ang fringe benefits po, sino ho ba ang nagsho-shoulder ng burden nito?

REP. CUA. Sa ngayon po, employer ang...

REP. ZARATE. Sa ngayon, ...

REP. CUA. ...ang sumasalo ng tax burden ng fringe benefit.

REP. ZARATE. So, pag naipasá po ang House Bill No. 5636, ipapasa po natin sa empleyado na dahil ito ay ikinokonsiderang kompensasyon na o kabahagi noong income ng empleyado. Tama po ba iyon?

REP. CUA. Opo, tama po.

REP. ZARATE. Bakit po ganon ang naging desisiyon natin na sa halip na pakinabangan ng empleyado ang savings na makukuha niya dahil may adjustment nga na income tax, sa kabilang banda naman, idadagdag natin sa kanyang gross receipts especially pagdating sa 2020 iyong mga benepisyo na dapat po sa kasalukuyan ay pinapasan o binabayaran ng mga employers?

REP. CUA. Tama po iyon, na after three years, kapag sumipa na po ang probisyon ng ating panukala, iyong employee na po na tumatanggap ng fringe benefit ang siyang sasalo noong karampatang buwis.

Nais ko lang pong ipaalam sa ating mga kasamahan na itong mga fringe benefits ay ibinibigay sa mga top-level executives at managerial level, at hindi po ito ibinibigay sa mga lower ranks o rank and file.

REP. ZARATE. Maging ganoon pa man po, bakit po? Ano po ang principle? Ano po ang prinsipyo na ipinapasa na natin sa empleyado ang burden ng pagbabayad po ng buwis, samantalang sa kasalukuyang kalakaran po, ito ay pinapasan o binabayaran naman ng mga employers?

REP. CUA. Mr. Speaker, kagalang-galang na Kinatawan, talaga naman pong benefit iyon o benepisyo na tinatanggap ng isang empleyado, at iyan naman ay hindi nananatili sa kumpanya o sa kanyang employer at nagiging pagmamay-ari ng isang empleyado, at nararapat lang na ang empleyadong tumanggap ng benepisyo ang siyang sumalo ng karampatang buwis po.

REP. ZARATE. Sige po. Doon naman po sa usapin ng—will the Sponsor confirm na dito nga sa Section 11 and Section 13 ng panukalang batas ay tinatanggal po natin ang personal tax exemption ng isang indibidwal? Tama po ba iyon?

REP. CUA. Tama po.

REP. ZARATE. Kung magkagayon po, ibig po ba nating sabihin nito, dahil sa kasalukuyang sistema po, napapaloob iyan na mayroong personal tax exemption ang isang empleyado? Kung magkagayon po, itong benepisyo ng ito na tinatamasa ngayon ng mga empleyado ay gusto na rin natin tanggalin at hindi na siya maging kabahagi noong benepisyo ng empleyado or ng isang taxpayer.

REP. CUA. Ang dahilan po noong ating pag-alis ng personal deduction po na inyong nabanggit ay para maging simple ang sistema, kasi sa kasalukuyan po, kinakailangan pong magpakita ng mga birth certificate at marriage certificate para makuha ang allowable deductions. Sa bagong sistema na ating ipinapanukala, hindi na po hahanapan ng dokumento o pruweba ang isang taxpayer, kung hindi automatic pong ibibigay ang blanket exemption na P250,000, tax free.

REP. ZARATE. Well, sinasabi ninyo po, para maging simplified, pero hindi po ba it is also in fact, denying the taxpayer the benefit that he is currently enjoying, na mayroon siyang tax exemption. Now, para hong sinasabi natin dito, in the interest of simplifying the system ay bahala nang mawalan ng benepisyo ang ating mga taxpayers po, na dapat sa kasalukuyan ay kanya namang tinatamasa.

REP. CUA. Maaari po nating tingnan sa paraan na natanggal iyong maliit na benepisyo ngunit isang mas malaking di hamak na benepisyo ang ipapalit po, na P250,000 kada indibidwal po, at kung iyan ay isang pamilya o mag-asawa, automatic po na P500,000 plus iyong dalawang bonuses nila ang maaaring may deduction.

REP. ZARATE. Pero mas malaki ho sana ang magiging benepisyo, hindi ho ba, kung ipinapanatili natin iyong personal tax exemption noong ating mga taxpayers, dagdag pa dito sa sinasabi ho natin dahil P250,000 ay wala ng tax ito, hindi ho ba mas dagdag na benepisyo po itong maibigay natin sa ating mga empleyado at mga manggagawa?

REP. CUA. Definitely po, kung idinagdag mo iyan at pinaabot natin ng P300,000 or P400,000 kada indibidwal, mas malaki nga po talaga iyon, ngunit hinahanap po natin ang isang level of exemption na maaaring maging nasa tamang level para ating mabigyan at—maibsan ang pasanin ng ating mga manggagawa at sa kabila nito ay maaari pang habulin ng gobyerno ang mawawalang koleksyon.

REP. ZARATE. Salamat po.

Pero, malinaw po dito na kahit sa usapin po ng adjustment ng ating income tax, mayroon tayong ibinibigay, pero marami rin po tayong tinatanggal na benepisyo na sa kasalukuyang sistema ng ating pagbubuwis ng income ay tinatamasa na po ng ating mga kababayan. Dito naman po sa usapin ng premium payment ng PhilHealth medical insurance, ano po ba ang dahilan bakit ho tinanggal natin ito bilang deductible amount sa taxable income ng isang taxpayer?

REP. CUA. Tulad din po ng aking ipinaliwanag kanina, G. Speaker at colleague, ang dahilan po ay para mas maging maginhawa ang proseso ng pagtanggap ng deductions o walang hinihinging requirements ang gobyerno, dahil sa ngayon, P2,400 ang maaaring allowable deductions sa isang taxpayer na kailangan niyang ipakita na siya ay PhilHealth member. Ngunit sa bagong sistema, hindi na po iyon kailangang ipakita at automatic po na P250,000 ang magiging palubag sa bawat taxpayer.

REP. ZARATE. Salamat po.

Again, dito po ay makikita natin na mayroon hong mga benepisyo na kasalukuyan ay pinakikinabangan na ng ating mga kababayan. Dahil lang sa kadahilanang gusto nating maging simple ang sistema, gusto nating bawiin ito at tanggalin ito. Iyon po ang isang hindi katanggap-tanggap sa panukalang ito dahil ito po ay mga benepisyong previously being enjoyed by our individual taxpayers. Kaya po kami nagtataka bakit ho tatanggalin natin ito ngayon? Bakit ho bibigyan natin ng additional burden ang ating mga kababayan?

Dito naman sa usapin din po ng income tax, sa panukalang batas ay sinasabi natin dito na ang mga self-employed at ang mga professionals ay papatawan na lamang, across the board, ng eight percent of their gross sales or gross receipts if their annual income does not exceed the value-added tax threshold of P3 million. And, if it exceeds the P3 million threshold, sila po ay papatawan ng buwis na katulad noong buwis ng isang korporasyon.

Ngayon, ang tanong ko po ay, ano po ang prinsipyo sa ganoong pagpapataw ng buwis doon sa mga self-employed and professionals?

REP. CUA. Ang makikita po natin sa datos ng BIR, that there are nine million fixed income earners or taxpayers na fixed income ang kanilang mode of income and around nine million also na self-employed and professionals. Ngunit makikita natin sa datos, na di hamak na mas malaki ang kontribusyon ng mga fixed income earners o iyong mga taxpayers na ang kanilang buwis ay withheld at source.

So, makikita natin na ang self-employed and professionals na siyang mga negosyante, siyang mga professional na abogado, doktor, engineer, architect, accountant, na alam naman natin sa lipunan natin ay kadalasang mas malaki ang kinikita kaysa sa mga halimbawa, guro o mga kapulisan o mga clerk, na itong mga taong nasa self-employed and professional system, sila pa ang hindi nakokolektahan ng tamang buwis. Kaya minarapat po natin na magkaroon ng sistema na below VAT threshold upang madali na ma-compute na eight percent sa kanilang gross income ang ipapataw na buwis, at doon naman sa mga above the VAT threshold ay ipapantay natin sila sa pagbubuwis ng mga kumpanya

o korporasyon dahil karaniwang iyan ang mga negosyo na nagko-compete sa mga korporasyon at gusto nating maging patas ang pagbubuwis, whether you are self-employed or you are a corporation.

REP. ZARATE. Salamat po, G. Isponsor. G. Isponsor, mako-consider ho ba natin na isang self-employed ang isang magsasaka?

REP. CUA. Maaari po, Your Honor.

REP. ZARATE. So, halimbawa po ang isang magsasaka na kumikita ng P200,000 annually, siya po ay papatawan natin ng eight percent dahil hindi naman po lumampas ito sa P3 million, tama po ba iyon?

REP. CUA. Your Honor, ang lahat ng agricultural products ay hindi po nava-VAT kaya sa tingin ko sa kanyang income na P200,000, opo, mapapatawan siya ng eight percent.

REP. ZARATE. Tama po iyon. So, dito ho natin makikita na napaka-arbitrary po, kung masasabi nating ganoon ang pagpapataw ng eight percent dahil wala hong distinction. Sinabi natin na self-employed and professional, pag hindi sila lumampas doon sa three million, eight percent. So, dito ho nagkaroon ng parang hindi pagkapantay-pantay. Iyong kumikitang fixed wage earner, at pag P250,000 iyon, exempted na iyon at wala siyang tax. Pero dito, dahil sinabi natin na lahat ng self-employed, lahat ng professionals, pag hindi sila lumampas doon sa three million ay eight percent iyon. So, mayroon hong mga pagkakataon na kahit na iyong kita nila ay hindi naman lumampas doon sa P250,000 kagaya noong mga fixed wage earners, hindi rin ho sila ligtas doon sa buwis at hindi ho natin na-achieve iyong ating purpose na lahat ng kumikita maging fixed wage earners man iyan or maging self-employed man iyan, pag kumikita sila ng P250,000 ay wala silang buwis. Tama po ba iyong aking naturan?

REP. CUA. Ang tanong ninyo po ay kung ang isang fixed income earner ay ...

REP. ZARATE. Ang akin pong katanungan, Mr. Speaker and G. Isponsor, dito ho nagkaroon ng hindi pagkapantay-pantay dahil ang isang fixed wage earner na kumikita ng P250,000, wala siyang tax pero pag sinabing self-employed ka, halimbawa, at may maliit ka lang na sari-sari store at ang iyong annual income nga ay P200,000 ay eight percent ang iyong tax. So, ang maliit na may-ari ng sari-sari store o kahit na ang magsasaka ay hindi nalagay sa parehong kalagayan ng isang fixed wage earner dahil siya ay magbabayad ng buwis na eight percent doon sa kanyang annual income na P200,000. Tama po ba iyon?

REP. CUA. G. Kinatawan, ito ang kasalukuyang sistema po kasi ng mga sari-sari store, halimbawa, sila ay napapatawan ng three percent tax together with the five percent income tax. So, kumbaga pumapareho lang siya doon sa eight percent. Tama kayo na mayroong pagkakaiba sa sistema dahil talaga naman pong magkakaiba ang ating karanasan pagdating ng koleksiyon.

REP. ZARATE. So, kaya nga po sa sinasabi ninyo kanina na nine million na mga self-employed at mga professionals, sabi ninyo, para kaya ano na lang patas lahat, eight percent dahil ang hirap kolektahan itong mga self-employed, at mga professionals, pero ang lumalabas ho rito dahil ganoon ho ang treatment natin mayroon hong mga self-employed na kumikita naman ng maliit, mababa nga doon sa P250,000 ay tatamaan sila ng buwis. Hindi katulad po nung mga fixed wage earners. So, sa pagpapatuloy po sinabi ninyo kanina na ang mga self-employed at professionals na lumampas doon sa value-added tax threshold na P3 million ay papatawan ng tax na kapareho po ng korporasyon.

Ang tanong ko, Mr. Speaker, G. Isponsor, ano po ba ang pagtingin natin sa mga propesyonal at mga self-employed? Pareho ba sila sa mga korporasyon? Halimbawa, sa usapin na bakit ba ako naging doctor? Bakit ba ako naging abogado? Ano ba ang aking gustong gawin? Pareho po ba sila ng mga korporasyon? Ano ang inyong pananaw dito?

REP. CUA. Sa tingin ko po, on a certain level, which is about the VAT threshold, hindi na maiwasan na nagko-compete na ang activity ng isang sole proprietor o self-employed sa isang maliit na korporasyon. Kung ganoon din naman, sila ay maglalaban sa commercial space o sa pagkuha ng customer. Hindi naman po siguro masama na maging pareho ang kanilang pamamaraan ng pagbubuwis para lalong mas maging competitive ang ating market.

REP. ZARATE. Salamat po.

Pero hindi po ba ang ating mga propesyonal—doktor, abogado, inhinyero—mayroon silang propesyon dahil gusto nilang magsilbi sa pamamagitan ng kanilang specialized skills, at hindi sila, sa tingin ko, katulad ng mga korporasyon na principally ay itinayo upang magkamal ng ganansya—magnegosyo at magganansya.

Dito po, sa tingin ko, hindi katanggap-tanggap na dahil lamang sa ang income ng isang propesyonal ay lumampas na sa P3 million, ang mga below P3 million, 8 percent lang ang ipapataw na tax samantalang kapag lumampas, halimbawa P3,000,001, sasampalin ka ng gobyerno ng 32 percent na buwis. So saan ang pagkakapantay-pantay dito? Makikita natin dito na

talagang napaka-arbitrary. Kapag lumampas ka na ng P3 million, you will be considered just like a corporation at 32 percent. With P3,000,001, 32 percent ka na. Kagaya po nang nangyari sa mga self-employed na below P3 million, napaka-arbitrary kasi 8 percent silang lahat. Wala man lang usapin kung may option sila dito.

By the way, Mr. Speaker, G. Isponsor, hindi po ba ninyo na-consider na at least ang mga self-employed and professionals, kapag ang income nila ay P250,000 and below, hindi ba na-consider na bigyan din naman sila ng option to avail of the benefit na ibinibigay sa fixed wage earners?

REP. CUA. Natalakay din naman po iyan at ating nakita sa datos ng BIR na kagaya nga ng nabanggit ko kanina, sa mundo ng taxpayers, kalahati ng fixed income earners na nine million, 85 percent ang collection rate, at ang kalahating nine million na mga professional ay 15 percent lang ang collection rate.

Naka-identify po tayo ng isang leakage o isang area na may problema ang ating koleksyon, kaya tayo naghahanap ng solusyon para matakpan ang butas na ito. Kaya nagkaroon tayo ng sistemang 8 percent sa below VAT threshold, bakit? Kasi ang gusto natin simple ang sistema. Kung ikaw ay honest, hindi ka mahihirapan sa pagbayad. Eight percent ibayad mo, tapos na po. Pero, kung ikaw naman ay umiiwas sa buwis, hindi ka masyadong madaling makakaiwas dahil mamomonitor ng BIR ang iyong mga resibo.

Doon naman po sa above VAT threshold, ginawa nating magkaroon ng corporate system. Dahil sa sistema ng corporate taxation, mayroon tayong tinatawag na minimum corporate income tax. Dito po walang kawala. Walang isang self-employed na maaaring magsabi na lugi siya o 10 taon na siyang nalulugi o hindi siya kumikita ng 10 taon ngunit namamayagpag ang kanyang negosyo at nagpapatuloy. This way, we somehow plug the leakages and at the same time we create a level-playing field between the corporations and the self-employed.

REP. ZARATE. Salamat po.

Again, naturing, Mr. Speaker, ng ating Sponsor na gustong i-simplify. Kaya kahit na parang tagibang ang self-employed na kumikita ng P250,000, mayroon siyang tax, pero ang fixed-wage earner na kumikita ng P250,000 exempted sa tax. Dahil kailangan nating i-simplify, lahat na lang 8 percent.

Matanong ko lang po, doon sa nine million, sa inyong pag-aaral, ilan ang self-employed o professional na kumikita lang ng P250,000 and below? Na-consider ba ninyo ito? Napag-aralan ba ninyo gaano karami doon sa sinasabi ninyong nine million?

REP. CUA. Hihingiin po natin ang datos mula sa BIR, Mr. Speaker.

REP. ZARATE. Habang inaantay po natin ang datos, isa sa mga nakikita natin dito, dahil pinagpapareho ang mga propesyonal at ang mga korporasyon, na kapag lumampas ka na sa VAT threshold of P3 million, you will be slapped with a tax similar to a corporation. Hindi ba ang magiging epekto nito ay magmamahal po ang serbisyo ng ating mga propesyonal? Ano po sa tingin ninyo?

REP. CUA. Sa tingin ko po, wala itong kinalaman sa kanilang ibinabayad o sinisingil sa taumbayan. Ito ay may kinalaman sa kanilang binabayad na buwis.

REP. ZARATE. Opo, dahil kapag ang isang propesyonal, halimbawa ang isang abogado o isang doktor, kapag ang income niya ay P3,000,100, ang babayaran niyang buwis ay 32 percent na. Hindi po ba ang isang magiging epekto nito, kung tataas rin lang naman ang babayaran kong tax, tataasan ko na rin ang aking mga singilin, ang aking professional fees.

REP. CUA. Ang isang professional na magtataas ng kaniyang singilin ay kailangan makipag-compete pa rin sa kaniyang kapwa professional sa kaniyang pag-aalok ng kaniyang serbisyo. Hindi naman po siya nabubuhay sa isang vacuum na siya lang ang kaisa-isang doktor o abogado o arkitekto sa naturang lugar kaya maaari i-consider pa rin niya ang standards ng kaniyang komunidad kung ano ang presyo ng serbisyo ng kaniyang mga kapwa professional.

REP. ZARATE. Maraming salamat po, Mr. Speaker, G. Isponsor.

REP. CUA. Mr. Speaker, we only have data tungkol po doon sa kanilang gross sales, pero ang threshold na inalar ng ating BIR at DOF is P3 million. So mayroon tayong below and above P3 million. Nakikita natin dito na ang below P3 million—hindi po 250, wala po tayong datos na ganon. Below P3 million ay 75 percent of the—P349,000 ang below P3 million.

REP. ZARATE. Below P3 million, Mr. Speaker?

REP. CUA. Opo, 75 percent of which availed of the Optional Standard Deduction or OSD of 40 percent. Mr. Speaker, 75 percent pala are itemized, 25 percent ang OSD. So there are 48,000 total taxpayers sa above P3 million.

REP. ZARATE. Salamat po.

Ang atin na lang po siguro ay suhestiyon, Mr. Speaker, distinguished Sponsor. Pag-aralan ninyo ang posibilidad na bigyan din ninyo ng option ang mga self-employed at mga professional na kumikita ng below P250,000 na maka-

avail din sa posibilidad na ang kanilang kinikita ay hindi na papatawan ng buwis na 8 percent dahil sa tingin talaga natin dito ay the other group is being treated differently from that of the fixed wage earners.

REP. CUA. Your Honor, gusto ko lang sabihin, with respect to the Gentleman's point, I would like to request the BIR na tingnan at hanapin ang datos na hinihingi ninyo na kung sino o ilan ang nagbabayad sa kumikita ng P250,000 and below at sa above the said amount.

REP. ZARATE. Maraming salamat po.

REP. CUA. Sa susunod po na pagkakataon, ibabahagi namin ang datos sa inyo.

REP. ZARATE. Sa mga nakaraang pagtatanong po ng ating mga kasamahan doon sa usapin ng excise tax on petroleum products, matagal na debatehan ito. Alam naman natin na kahit na ano pa mang eksplanasyon, hindi maiaalis ang katotohanan na kapag nagdagdag ng buwis o excise tax, lalung-lalo na sa mga sensitibong produkto gaya ng petrolyo—diesel, gasolina, kerosene, LPG—ay mayroon talagang epekto sa ating mga ordinaryong mamamayan.

Kanina po, sinasabi ninyo na, hindi; ang mga mayayaman naman ang pinakamalakas na gumamit ng petrolyo. Pero this is denying the fact na the so-called mayayaman na ito, malalaking korporasyon na ito, kung anuman ang naging expense nila dito sa petrolyo dahil sa pagpapatakbo ng kanilang mga pactorya at mga kumpanya, ito ay ipinapasa nila sa ating mga konsumante, sa ating mga kababayan. In the end, ang magpapasan pa rin nito ay ang mga ordinaryong mamamayan.

Ang tanong ko po kaugnay rito sa excise tax on petroleum products, sinabi na rin ninyo kanina, halimbawa sa diesel, hahatiin ito sa loob ng tatlong taon—P3, P2, P1—hanggang maabot ang P6. Ano po ang projection, ang nakikita ninyo na magiging epekto nito sa presyo ng mga pangunahing biling tulad halimbawa ng bigas, asukal at iba pa?

REP. CUA. Mr. Speaker, distinguished colleague, sa research ng Department of Finance, ang epekto ng oil excise sa inflation rate will be 0.9 percent increase.

REP. ZARATE. Saan po naka-base ang 0.9 percent?

REP. CUA. Ganito po ang detalye: sa bigas, 0.2 percent or P0.10; sa pork, sa presyo ng karneng baboy, 0.1 percent o P0.10; sa asukal halos walang increase; at sa galunggong, 0.3 percent. So sa presyo ngayon na P121.00, madadagdagan ito ng P0.30. Sa tilapia, isang

kilo ay P106, halos walang idadagdag sa presyo. Sa corned beef, sardines at tinapay, walang dagdag din po.

Mayroon kaming datos sa epekto ng oil tax sa transportation. Sa P8 na pasahe ng jeep, ang potential fare increase ay P0.30. Sa AUV o ang mga UV Express na P40 ang pamasaha, maaaring magdagdag ng P1 o P1.50. Sa bus na namamasaha ng P11, maaaring dumagdag lamang ng P0.40. Sa MRT na P15 ang pamasaha, maaaring dumagdag ng P0.10. Sa tricycle na P25 ang pamasaha, P0.20. Sa taxi na P135 ang average na pamasaha, maaaring magdagdag ng P3. Sa pamasaha ng eroplano na P5,500 ang average ticket, maaaring magdagdag ng P130 at sa habal-habal na P35 ang pamasaha, maaaring magdagdag ng P0.60. Napakaliit lang po.

REP. ZARATE. Maraming salamat po.

Siguro po sa tingin natin napakaliit nga niyan, pero sa ating mga ordinaryong mamamayan, bawat sentimo na kanilang maitatabi ay dagdag na sa kanilang savings na magagamit nila sa mga pangangailangan nila sa araw-araw. Hindi po totoo na walang epekto ang dagdag na excise tax sa petrolyo, dahil sa katotohanan, halimbawa ang diesel, kahit sabihin natin na mayayaman naman ang may malaking consumption nito, hindi maitatago ang katotohanan, halimbawa po sa mga pampublikong sasakyan natin, ang mga jeepney na sinasakyan ng ating mga kababayan araw-araw kahit na dito sa Metro Manila, diesel ang ginagamit. Hindi malayo na pagdating sa ikatlong taon na P6 na ang excise tax ng diesel, hindi malayo na magtataas rin ng mga pamasaha at ito ay papasanin, ang dagdag pamasaha na ito ay papasanin ng ating mga ordinaryong mamamayan.

Doon po sa usapin ng ano naman ang epekto nitong dagdag excise tax sa petrolyo, halimbawa po, sa bayarin ng ating mga kababayan sa presyo, halimbawa, ng kuryente, ano ang tinatayang epekto nito sa pag-aaral ninyo, Mr. Speaker, distinguished Sponsor?

REP. CUA. Mr. Speaker, ang datos po ng DOF tungkol sa kuryente ay dito lamang sa SPUG magkakaroon ng kaunting pagtaas dahil iyon ay tumatakbo sa diesel at bunker fuel. Sa kumokonsumo ng 100 kilowatt-hour, madadagdagan ng P84 kada buwan. Doon sa 200 monthly kilowatt-hour, P70; at sa 300 monthly kilowatt-hour, nasa P100.

So, ang kanilang kasalukuyang binabayaran for the 100 ay nasa halagang bandang P700, magdadagdag po ng P84. Iyong 200 kilowatt-hour, nasa P1,400 na madadagdagan ng P70. Iyong 300 kilowatt-hour, nasa P2,000 ang kanilang binabayaran ngayon, na madadagdagan ng P100.

REP. ZARATE. Salamat po.

Malinaw din po na dito sa usapin ng kahit doon sa bayarin ng kuryente ay hindi po natin puwedeng sabihin na walang epekto ito. Sa katunayan po, sa aming pag-aaral at pagtataya, ang magiging epekto po noong pagtaas noong excise tax sa ating—lalung-lalo na ho sa diesel ay nasa P1.50 po kada kilowatt-hour if the fuel consumption rate is computed at P0.25 centavos per liter/kilowatt-hour. So, puwede ho tayong magsimula sa komputasyon na iyan. At napakalaki ho ng magiging epekto nito doon sa bayarin ng kuryente, lalung-lalo na ho sa amin po doon sa Mindanao. Siguro po hindi maramdaman iyan dito sa Luzon at saka sa Visayas dahil karamihan ng mga planta dito ay umaasa sa coal and natural gas. Pero doon ho sa Mindanao, halos—meron hong mga 20 to 25 percent ng supply sa Mindanao ay nagmumula ho sa diesel especially ay magbubunsod ito na sisipa na naman ang presyo ng kuryente sa ka-Mindanaoan lalung-lalo na ngayon na hindi pa naman na-solve iyong problema sa Mindanao sa usapin ng brownout. Kaya ito rin po ang isang malaking, sa tingin naming epekto nitong excise tax sa diesel, lalung-lalo na ho kung ating iisipin na nitong—at least, by January of 2015, meron hong 11 electric cooperatives sa Mindanao, with an estimated 241 megawatts na additional capacity, na ang ginagamit po nito ay modular generator sets. Kung modular ho iyan, ibig sabihin, diesel ho ang ginagamit nito. So, merong epekto uli ang excise tax sa diesel dito sa mga plantang ito.

Siyempre, naturan na rin po ninyo na iyong SPUG ay talagang tatamaan nito dahil karamihan naman ng mga SPUG ay diesel din ang ginagamit. Hindi pa ho natin pinag-uusapan dito, ano po ang magiging epekto naman nito sa presyuhan doon sa WESM or sa merkado ng kuryente.

So, again dito po makikita natin sa usaping ito, even sa usaping ito ng excise tax sa petroleum ay malaki ho ang epekto nito sa ordinaryong mamamayan lalung-lalo na iyong nagpapasan ngayon ng mahirap na sitwasyon gaya po halimbawa doon sa Mindanao na halos one-fifth ng kanyang power source ay nagmumula sa diesel.

Doon naman po sa usapin ng gaas, kerosene, bakit po ba pinili natin na ito uli ay patawan natin ng excise tax samantalang alam naman po natin na marami sa ating mga kababayan, mga mahirap na kababayan, lalo na sa kanayunan, ito ay isa sa kanilang ginagamit para po mailawan ang kanilang mga bahay. So, dagdag na P6 sa bawat litro ng kerosene, sa tingin namin dagdag na pasanin din yan ng ating mga ordinaryong mamamayan.

REP. CUA. Iyon pong issue tungkol sa pagpataw ng excise tax sa kerosene, lingid po sa kaalaman ng ating nakararaming kasamahan, na ang kerosene, although bagama't tama kayo na ginagamit ito ng ating mahihirap sa pagluto at sa kanilang pang-araw-araw, ito

rin po ay ginagamit ng pinakamayayaman sa kanilang krudo ng kanilang eroplano at helikopter. At hindi natin napapansin na itong kerosene ay ginagamit na panghalo sa diesel, sa gasoline, bilang extender. So, kung hindi mo talaga po lalagyan ng excise tax ang kerosene, lalong ihahalo po iyan bilang extender para lumaki po ang kita noong mga oil companies na hindi makatotoo ang kanilang pagbenta ng fuel.

REP. ZARATE. Salamat po. So, ang lumalabas po pala, me problema tayo doon sa pagsiguro na ang ating mga negosyante ng petrolyo ay makatotohanan sa kanilang pagbebenta. Hindi nila ito—hindi adulterated iyong kanilang produkto, pero bakit po ang naging solusyon natin ay patawan ng tax? Alam naman po natin na marami sa ating mga kababayan lalung-lalo na sa ating kanayunan, ang ginagamit po talaga ay kerosene.

Hindi naman ho siguro karamihan sa ating mga kababayan ang mayroong helikopter, mayroong eroplano. Siguro po, iilan-ilan lang yan sa mga mayayaman na gumagamit ng ganoon.

Siguro po ang ating Sponsor ay mayroong helikopter, ano?

REP. CUA. Wala pa po.

REP. ZARATE. Ang gusto ko pong sabihin dito, dahil po P6 din sa susunod na tatlong taon ang ipapataw ninyo sa kerosene o sa tinatawag nating gaas ang mahihirapan ho uli nito—wala na hong problema iyong mayayaman. Kayang-kaya nila iyan, pero ang ating ordinaryong mamamayan po, iyan ay inaasahan nila, dagdag na P6 po iyan na buwis na magmumula at kukunin na naman nila sa kanilang bulsa. So, iyon po ang ating sinasabi dito. Malinaw po uli na ang pagkukunan natin ng dagdag na pondo ay ang ating mga mamamayan dahil gusto nating ma-simplify o gusto nating maiwasto iyong mga maling patakaran ng mga negosyante, ng mga kapitalista, na gustong kumita ng malaki kaya pinaghalo ang gasolina at ang kerosene.

Sa tingin ko po, hindi ho iyon ang tamang solusyon dahil ang mahihirapan diyan, ang pinahihirapan natin sa pagdating ng panahon muli ay ang atin hong mga ordinaryong mga kababayan.

Tama po ba iyon, G. Sponsor?

REP. CUA. Nais ko lamang po ihatid sa ating mga kasamahan sa Kamara na ang average consumption ng isang pamilya sa kerosene ay nasa 30 liters lang po sa isang taon. So, kung ating imu-multiply iyan sa P6 na siyang pinakamataas na ipapataw pagkatapos ng tatlong taon ay P180 lang po isang taon which is less than P30. Aba, magkano ba?

REP. ZARATE. Salamat po. Siguro nga po maliit lang sa atin iyan. Iyang P180 na iyan, pero..

REP. CUA. P15 isang buwan.

REP. ZARATE. ...pero P180 rin ho iyan na kawalan sa ating mga kababayan.

Doon naman po ako babaybay sa usapin ng pag-expand ng ating exemptions sa value-added tax. Mr. Speaker, G. Sponsor, matanong lang po natin dahil naturan po ninyo kanina na ang dami nating exemptions kaya gusto nating palawakin ang kino-cover ng value-added tax dahil sa ibang bansa naman hindi ganoon karami ang excepted, exempted transactions.

Ang una ko pong tanong, sa kasalukuyan po ilang mga serbisyo po ba o transaction ang kino-cover ng ating value-added tax, VATable transactions?

REP. CUA. Ang tanong ninyo po ba ay ilang exemption ang...

REP. ZARATE. Ilan ho ang nako-cover na ng value-added tax sa kasalukuyan, iyong hindi ho exempted, hindi kasama doon sa exemptions? So, ilang VATable transactions? Anong mga serbisyo ito at ilan sila?

REP. CUA. Wala po kaming datos, Your Honor, kung ilan iyong—pero ang madaling sagot po diyan ay lahat ng hindi exempted ay pinapatawan po ng VAT, pero kung sa ilan pong linya iyan iyong nava-VAT po natin ay hindi ko po—wala pong datos ang ating Finance Department tungkol diyan.

REP. ZARATE. Sige po, ako po ay nagtataka bakit walang datos. Halimbawa po, tanggalin natin ang—kasi isang transaksyon na pino-propose na tanggalin ng exemption dito sa panukalang batas na ito ay iyon hong sa ating mga kooperatiba.

REP. CUA. Tama po.

REP. ZARATE. Kapag naidagdag ho siya sa tinanggal, ilan na ho ang na-cover lahat? Ilan ho ang may mga services na subject to VAT or transaction that is subject to value-added tax?

REP. CUA. Ang konsepto po ng VAT ay isang sistema para ang lahat ng transaction o consumption sa isang ekonomiya ay mapatawan ng isang *ad valorem* na buwis. Madali po kasing makuwenta kung ilan ang exemption dahil iyon po ang bilang ng mga batas o mga issuances ng gobyerno na nagbibigay ng exemption sa particular segment, whether it is a group of people o isa pong activity within the economy. Kaya madali pong bilangin iyong exemption dahil iyan po ay nakalista sa mga batas at mga issuance ng gobyerno, whereas, lahat po ng mga napapatawan ng VAT ay lahat po ng walang exemption.

REP. ZARATE. Ibig ninyo pong sabihin, sa kasalukuyan, wala ho tayong datos, hindi natin alam. Ilan ba talaga ang dapat ang pagkukunan natin ng VAT dahil ang binibilang lang natin ay iyong exemptions? Hindi ho siguro tama ang ganoong kalakaran. Paano ho natin mako-compute na dapat sa ganitong taon, ganito ang dapat nating kolektahing value-added taxes sa mga ganitong transaction o sa ganitong mga services, G. Spiker, G. Sponsor?

REP. CUA. Nauunawaan ko na po ang inyong punto. Sa isang ekonomiya ang ating VAT rate po dito, halimbawa sa Pilipinas ay 12 percent. Ang GDP po natin ay sa 150—so ang GDP po natin ay P17 trillion. So, ang potential VAT collection po natin will be 12 percent of P17 trillion.

REP. ZARATE. Pakiulit po ng potential collection ng VAT.

REP. CUA. Ang potential collection po natin sa VAT, kung walang exemption at lahat ng transaction ay nabayaran ng VAT, ay 12 percent of our GDP of P17 trillion, which will amount to P2 trillion. Kung wala pong nakalusot, pero sa ngayon po, ang effective ...

REP. ZARATE. Huwag ho natin munang pag-usapan iyong nakalusot, kasi sabi ninyo kanina, 12 percent sa ating GDP, so ito po ay humigit-kumulang P2 trillion kung walang exemptions. Sa kasalukuyan po, mayroon tayong, at least, 59 or 60 exemptions. Tama po ba iyon?

REP. CUA. One hundred forty lines.

REP. ZARATE. One hundred forty exempted transactions and services. So kapag iawas ho natin itong 140, sinasabi ninyo ho kanina na ito ay humigit-kumulang ang nawawala rito ay P91 billion. Tama po ba iyong pagkakarinig ko, P91 billion?

REP. CUA. According to DOF, tama po.

REP. ZARATE. Tama. So, doon sa potential na kinokolekta natin na P2 trillion value-added tax kada taon dahil iyon po ay 12 percent ng ating GDP, kung iaawas po natin ang P91 billion, so ibig sabihin po mahigit P1 trilyon pa rin ito, at kalahati. Ang tanong ko po ngayon, magkano po ba iyong nakokolekta nating tax sa kasalukuyan sa value-added tax?

REP. CUA. Ang effective VAT rate po natin ay nasa four-and-a-half percent, which will be around ...

REP. ZARATE. So, in real figures po kada taon magkano ang nakokolekta natin sa value-added tax na pumapasok?

REP. CUA. We are getting the exact figure, Your Honor, pero nasa P600 to P700 billion.

REP. ZARATE. Six to ...

REP. CUA. Six to seven hundred billion.

REP. ZARATE. P600 to P700 billion.

So, sinabi ninyo ho kanina na potentially P2 trillion ito, so ang nakokolekta lang natin ay P600 to P700 billion, iaawas na natin iyong P91 billion diyan dahil may mga exempted transactions, so ibig sabihin po, kahit sa usapin po ng value-added tax, napakalaki po ng hindi nakokolekta ng ating mga collection agencies, particularly the Bureau of Internal Revenue, for whatever reason. Baka puwede ninyong sabihin dami ho kasing nagpapalusot, pero hindi ho iyan ang usapin dito. Ang usapin dito, kung kinokolekta natin ng makatotohanan itong, kahit sa usapin ng value-added tax, sa kasalukuyan, ay hindi nga hong kailangan na palaparin pa natin, i-expand natin iyong exempted transactions. Halimbawa po, kanina sinabi na ninyo na posibleng i-reconsider o may magandang balita doon sa usapin ng kooperatiba, so hindi na ho ako magpapalawig doon, dahil isang malaking isyu rin iyon at kami po ay nanindigan na dapat nga po huwag tanggalin ang benepisyo ng mga kooperatiba na maging exempted sa value-added tax.

Dito na lang ako magpapalawig sa usapin ng mga nagbabayad ng renta ng bahay. Sa panukalang batas po natin ngayon, iyong nagbabayad ho ng house rental na below P10,000 ay hindi na po sila exempted. Ibig sabihin, magbabayad na sila ng 12 percent VAT. So, doon ho sa aming pagtataya, kung halimbawa ang renta ng iyong bahay ngayon ay P9,000, at ang 12 percent VAT, ang dagdag P1,088 iyon kada buwan. So, ang babayaran mo is P10,088 kada buwan dahil hindi ka na exempted, at sa isang taon, ito ay aabot rin ng halos P13,000. Tama po ba iyong aking pagkakaintindi na ang nagbabayad ng renta ng mababa sa P10,000 sa darating na panahon ay hindi na ho exempted at magbabayad na sila ng VAT?

REP. CUA. Sa akin pong pag-research, karamihan o baka maari pong lahat ng mga paupahan na naniningil ng P10,000 and below will remain to be VAT-exempt pa rin dahil ang P10,000 na isang unit ay kumikita lang ng P120,000 sa isang taon which is still very much below the VAT threshold at malamang hindi pa rin—ay sigurado kung below the VAT threshold, hindi pa rin po mapapatawan ng VAT. So, iyon po ang ating pag-research na hindi po tatamaan iyong mga umuupa ng P10,000 and below.

REP. ZARATE. Pero, hindi po ba sa kasalukuyang sistema natin, iyong mga nagbabayad ng P10,000 and

below ng upa ay exempted ho sa value-added tax iyon? Tama po ba iyon?

REP. CUA. Tama po.

REP. ZARATE. So, kapag naipasá po itong panukalang batas na ito, tama rin po iyon na iyong nagbabayad ng P10,000 and below ay mayroon ng tax, value-added tax na 12 percent.

REP. CUA. Kasi po kapag iyong kanyang inuupahan o iyong nagpapaupa doon sa pamilyang iyon ay hindi naman papasok sa VAT threshold, wala pa rin pong VAT iyong kanyang upa. Kaya kami ay confident na hindi rin po tatamaan iyong mga pamilyang ito.

REP. ZARATE. So, ibig ninyo pong sabihin dito na iyong kahit na nagbabayad sila nang mababa sa P10,000 kada buwan, halimbawa, ang VAT threshold naman ay hindi siya aabot ng P3 million, ibig sabihin hindi maniningil ngayon itong may-ari ng paupahan ng mga bahay ng additional VAT na 12 percent doon sa pinapaupahan niyang bahay. Ganoon po ba iyon?

REP. CUA. Tama po.

REP. ZARATE. At ito ay mag-a-apply lamang doon sa kung lalampas na ng 3 million?

REP. CUA. Opo. Iyong mga malalaking development na lang po.

REP. ZARATE. Doon naman po sa usapin ng—dito sa bagong ipinasok natin na probisyon sa panukalang batas, ito hong pagbubuwis natin sa mga sweetened beverages as found in Section 25 of the proposed Bill, ang mga katanungan po natin dito, ano po bang rationale bakit ipinasok natin itong probisyon na ito?

REP. CUA. Ang panukalang ito, ayon sa may-akda, ay naglalayon ng isang health measure upang mabawasan ang prevalence ng obesity sa ating lipunan at sa kasalukuyan makalikom din ng koleksiyon para sa ating gobyerno na siyang gagamitin para sa iba't ibang health programs para sa ating mga kababayan.

REP. ZARATE. Magkano po ang itinataya ng administrasyon na kokolektahin dito po sa panukalang probisyon na ito?

REP. CUA. Nasa P47 billion po ang estimate ng ating DOF.

REP. ZARATE. Ang sunod ko po na katanungan, sino ho ba ang sa tingin natin ang magso-shoulder ng



burden ng excise tax na ito sa sweetened beverages, at the end of the day?

REP. CUA. Lahat po ng consumer ang siyang magbabayad nito—mayaman, mga middle class, lahat. Lahat ng gusto na bumili ng isang sweetened beverage ay mapapatawan ng buwis.

REP. ZARATE. Sino po ba sa tingin ninyo ang madalas na kumukonsumo po ng 3 in 1 na kape, murang softdrinks kagaya ng *Zesto* for example, or ito hong mga energy drinks ngayon na *Cobra* at kung anu-ano pang mga produkto diyan? Sa kalakhan ho ng ating populasyon, sino ho ba ang madalas na umiinom nito? Di po ba iyong ating mga ordinaryong mga manggagawa, mga ordinaryong tindera sa palengke at hindi ho ang sinasabi nating mga mayayaman? Tama po ba iyon?

REP. CUA. According doon sa ating family income expenditure survey, kalahati po ng konsumo ay kinukonsumo noong kumikita ng P250,000 pataas. So, iyong mga may income po ang siyang bumibili ng mga sweetened beverages.

REP. ZARATE. Ang isa pong katanungan dito, bakit po sa ating panukala uniform iyong ating in-impose na tax na sampung piso bawat litro ng isang sweetened beverage? Bakit ho walang pagtatangi, halimbawa, doon sa mga produktong pinatatawag nating pang-masa at doon sa produktong tinatawag nating hi-end or premium?

REP. CUA. Ayon po sa may-akda, ang layunin ay maging madali ang administrasyon nito, at ang isa pang layunin ay hindi buwisan iyong mismong asukal kung hindi ang mga produkto lamang na may mataas na sugar content. Kaya po ganito ang pagkasulat nito ay upang maging excise tax on consumption so ibig sabihin po, manufactured products, packaged products po ang tatamaan at hindi po naaayon sa quantity ng kaniyang asukal sa isang produkto.

REP. ZARATE. Salamat po pero lumalabas nga po dito na, halimbawa, doon sa mamahaling produkto, dahil pantay-pantay naman iyong tax na ipinapataw natin, mas tatamaan iyong mga bumibili noong mga mumurahing produkto dahil ganoong buwis din, P10 kada litro, ang ating ini-impose na tax at dahil ito ang mas maraming kinokonsumo ng ating mga kababayan.

At sa tingin ko naman po, iyong tinuran ninyo kanina, that para matugunan nito iyong problema ng obesity, sa akin pong palagay, hindi pa rin nito malulutas ang problema ng malnutrisyon at ang mga sakit na dulot ng high sugar intake. Base nga po doon sa isang pag-aaral, iyong National Nutrition Survey ng FNRI, ang pinakamalaking problema pa rin ng bansa—bakit

ho may obesity, bakit ho may mga kasamang mga sakit ito—ay ang malnutrisyon pa rin po, ang pagiging undernourished at underweight ng ating mga kababayan. So, kung ang dahilan ng pangangalap po natin ng pondo ay para po pangalagaan ang ating kalusugan, bakit ho hindi natin tingnan iyong ibang kapamaraan para makapagkalap po tayo ng pondo? Halimbawa, bakit hindi natin tanggalin iyong mga tax holidays na ini-enjoy ng mga foreign and multinational corporations? So, bakit ho ang ating kaagang solusyon ay ito, tax sa ating mga ordinaryong mamamayan?

Now, pupunta ho ako sa panghuling bahagi po ng aking pagtatanong tungkol ho doon sa usapin ng—doon na lang ho sa huling katanungan ko, saan po rito makikita iyong mga buwis naman na ipapataw natin sa mga malalaking korporasyon ng mga mayayaman?

REP. CUA. Kung ang tinutukoy ninyo po ay ang adjustment ng corporate income tax, wala po dito sa panukalang ito.

REP. ZARATE. Tama po, wala nga po rito sa panukalang ito, dahil po ang sinabi sa atin ng Departamento ng Pinansya, ito ay nasa pangalawang package pa po. So, dito pa lamang po, makikita na kaagad natin na dito ho sa sinasabi nating tax reform package na ito, mamaya na natin pag-usapan kung paano natin papatawan ng buwis ang mayayaman, ang mga oligarkiya, ang mga malalaking korporasyon, unahin muna nating pag-isipan kung paano tayo makapagkalap ng pondo sa pamamagitan ng pagpataw ng buwis sa marami nating mahihirap na mamamayan. So, ito po ang malinaw na mukha na sinasalamina dito sa House Bill No. 5636.

Sa kabilang banda, ipinapakita natin na mayroong adjustment kunwari sa income tax, pero kung babawiin po natin ang mga probisyon ng pagpapataw ng mga dagdag na buwis dito, ang maaapektuhan ho nito talaga, sa kalakhan ay ang ating mga ordinaryong mamamayan. Sila ho ang mga ordinaryong konsumante, ordinaryong mamamayan ang mag-a-ambag-ambagan ng malaki para ho doon sa sinasabi nating panustos sa sinasabi ninyong mga programang imprastruktura. At malinaw naman po na sila talaga ang maaapektuhan kaya nga po mayroon kayong sinasabing mga programa, na halimbawa, mga food subsidy sa bigas, sa mga medisina, diskuwento sa pamasaha, subsidy para sa mga tsuper, at mayroon pa tayong voucher system. Ito ay nagpapatunay lamang po na talagang gusto nating kunwari ay ma-soften iyong impact sa ating mga kababayan, dahil at the end of the day, ang atin ho talagang mga ordinaryong mga mamamayan at mga kababayan po ang papasan dito po sa gusto nating likumin na—kalapin na pondo. Sa katunayan, hindi ito sa malalaking dayuhan at lokal na mga korporasyon, na sa aktuwal ay binibigyan pa nga po natin ng sangkatutak na mga tax breaks, incentives, at guarantees, kahit

gaano pa man ang kanilang pag-exploit sa ating mga manggagawa, kahit gaano pa man nilang sinira ang ating mga environment and our natural resources.

Sa amin pong palagay, kung gusto ho natin talaga ng tunay na progresibong sistema ng pagbubuwis, dapat ho patawan natin ng mas malaking buwis kung sino ang mas nakikinabang sa ating ekonomiya, sino ang malaking dahilan kung bakit ang ating, halimbawa, mga kabundukan sa ka-Mindanaoan ay halos maubos na dahil sa walang pakundangang pagmimina, kung sino iyong mga malalaking korporasyon na nakikinabang sa pawis ng ating mga manggagawa.

Sa mga probisyon po ng House Bill No. 5636, pinabibigat natin ang pasanin ng ating mga kababayang naghihirap na, lalung-lalo na po, uulitin ko, doon sa imposition ng excise tax sa petroleum products, sa pagpapalawak ng base ng value-added tax at sa pagtatanggal ng mga ilang exempted transactions gaya po noong doon sa low-cost housing, house rental, at iba pa.

Sa amin pong tayo, responsibilidad pa rin ng gobyerno na maglaan ng sapat na serbisyong panglipunan. Wala ho tayong debate diyan. Nasa Saligang Batas iyan, at nasa Saligang Batas din ang pagkakaroon ng taxation system na, sinasabi nga sa ating Saligang Batas, dapat ay equitable, fair, and progressive. Pero dito po sa nakita natin, malayong equitable, malayo hong fair at progressive ang ating panukalang batas. Sinabi na rin ng Department of Finance, without tax reform the people will likely remain poor. But with the regressive taxation that we are proposing now, sa tingin po namin, the people will become even poorer and will be burdened further by this new imposition of taxes.

Sa progresibong pagbubuwis po, dapat buwisan natin, uulitin ko, ang higit na bubuwisan natin ang may mga kakayanan, lalung-lalo na ang mga malalaking dayuhan at lokal na korporasyon. Sabayan po sana natin ito ng mga hakbang tungo sa pambansang industriyalisasyon at tunay na repormang agraryo. Sa ganito, mahaharap natin ng sabay ang kahirapan ng mamamayan at pangangailangan ng ating bayan tungo ho sa kaunlaran at hindi ho sa ganitong pamamaraan kung saan mas lalo ho nating dinidiin sa mas lalong kahirapan ang ating kababayan dahil ho sa mga bagong panukalang buwis na ito na kanilang papasanin.

Maraming salamat po, G. Ispiker. Maraming salamat, Mr. Sponsor.

REP. CUA. Salamat din po.

THE DEPUTY SPEAKER (Rep. Quimbo). Thank you, Congressman Zarate.

The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). Yes, Dep. Majority Leader.

REP. DEFENSOR. Next to interpellate and next on our list, I move that we recognize the Hon. Ferjanel G. Biron for his interpellation.

THE DEPUTY SPEAKER (Rep. Quimbo). Could the Gentleman please repeat that.

REP. DEFENSOR. My motion was for the recognition of the Hon. Ferj Biron for his interpellation, Mr. Speaker, but since the Honorable Biron is not around for his interpellation, I move that we recognize the Gentleman form AGAP, the Hon. Rico B. Geron, for his interpellation.

THE DEPUTY SPEAKER (Rep. Quimbo). The Gentleman is recognized for his interpellation. Proceed.

REP. GERON. Maraming salamat po, G. Ispiker, Mr. Sponsor, for giving the opportunity to interpellate on this very important piece of legislation.

Kinikilala po ng Kinatawang ito from AGAP Party-List, representing the agricultural sector and coops, ang kahalagahan ng pagbubuwis, kung saan nagmumula ang mga proyektong pambayan lalo na para sa mga imprastruktura, pangkalusugan at iba't iba pang pangangailangan para sa pampublikong serbisyo. Subali't hindi maiiwasang tumayo ng Kinatawang ito upang ipahayag ang hindi pagsang-ayon sa pagsasama sa mga kooperatiba sa mga aalisan ng VAT exemption privilege.

Bilang Kinatawan ng sektor kooperatiba sa Mababang Kapulungang ito, naniniwala tayo na ang mga kooperatiba ay isang mahusay na ka-partner ng ating pamahalaan para sa pagtataguyod ng kabuhayan ng ating mga maliliit na mga mamamayan. Napakarami ng ating mga kapatid sa lipunang ito na nabubuhay ng mas mababa pa kaysa poverty level ang nakikinabang sa pagtataguyod ng mga kooperatiba. Sa ating panukalang batas, sa pagpapalaki ng exemption sa babayaran buwis ng mayroong mga regular na hanapbuhay, nakatitiyak sila na sila ay makikinabang sa batas na ito samantalang mayroon nang regular na pagkitang inaasahan sa pagiging empleyado. Marami sa mga kasapi ng ating mga kooperatiba ay walang tiyak na hanapbuhay at umaasa sa maaaring napakaliit na pakinabang na kanilang makukuha mula sa samahang tinatawag na kooperatiba.

Sa pamamagitan ng kanilang maaaring maging kabahagi sa mga livelihood programs at kaunting interes sa kinikita ng kanilang maliit na kapital sa samahang kanilang sinamahan, subali't dahil sa panukalang batas na ito, ang mga kasaping ito ay maaaring mapatawan ng

buwis kahit pa sabihin nating hindi tiyak ang kanilang magiging pagkita.

Napakarami pang mga katanungang gumugulo sa isipan ng Kinatawag ito subali't nais kong ipagpaubaya sa ating kagalang-galang na Sponsor, Mr. Speaker, as the Chair of Committee on Cooperatives Development and in representation of the cooperative sector, I would like to humbly manifest that I support the clamor of the cooperative sector to maintain the VAT exemption for cooperatives, specifically under Section 109, paragraph L, M and N of the National Internal Revenue Code and as enshrined in Republic Act No. 9520, the Philippine Cooperative Code of 2008.

Kanina ay narinig ko ang commitment ng kagalang-galang na Sponsor sa maaaring maging amendment sa panukalang batas. Ako po, bilang Kinatawan ng cooperative sector, ay nananalig at umaasa sa magiging bunga ng commitment na ito, Mr. Sponsor.

Marami pong salamat at iyan ang aming pahayag mula sa cooperative sector.

REP. CUA. Salamat po at maaasahan po na ang Sponsor ay sumasang-ayon sa pananaw ng ating mga kapatid sa kooperatiba.

Mr. Speaker, kung hindi malinaw ang aking mensahe kanina, nakatanggap po ako ng instruction o ng isang advise mula sa ating mga leaders ng Kamara mula sa Speaker at sa Majority Leader na sila ay sumusuporta na mapanatili ang tax exemption ng mga kooperatiba at tayong ay susuporta rin sa panukalang ito.

THE DEPUTY SPEAKER (Rep. Quimbo). Maraming salamat.

Yes, the Dep. Majority Leader is recognized.

#### SUSPENSION OF CONSIDERATION OF H.B. NO. 5636

REP. DEFENSOR. Mr. Speaker, I move that we suspend the consideration of House Bill No. 5636.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

#### CONSIDERATION OF H.B. NO. 5660 *Continuation*

#### PERIOD OF SPONSORSHIP AND DEBATE

REP. DEFENSOR. Mr. Speaker, I move that we consider House Bill No. 5660, contained in Committee Report No. 240, as reported out by the Committee on Revision of Laws.

May I ask that the Secretary General be directed to read only the title of the measure.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Secretary General is directed to read only the title of the measure.

*With the permission of the Body, and since copies of the measure have been previously distributed, the Secretary General read only the title thereof without prejudice to inserting its text in the Congressional Record.*

THE SECRETARY GENERAL. House Bill No. 5660, entitled: AN ACT DECLARING FEBRUARY 23 OF EVERY YEAR A SPECIAL WORKING HOLIDAY TO BE KNOWN AS "NATIONAL ROTARY DAY."

REP. DEFENSOR. Mr. Speaker, I move that we open the period of sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, we have here with us the distinguished Chairperson of the Committee on Revision of Laws, the Honorable Primicias-Agabas. I move that we consider the Explanatory Note as the sponsorship speech on the measure.

THE DEPUTY SPEAKER (Rep. Quimbo). The honorable Chairperson of the Committee on Revision of Laws is recognized. The motion, there being no objection, is likewise approved.

REP. DEFENSOR. Mr. Speaker, there being no Member who registered to interpellate or speak against the measure, I move that we close the period of sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, I move that we open the period of amendments. However, there being no Committee or individual amendments, I move that we close the same.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

REP. DEFENSOR. Mr. Speaker, I move that we approve House Bill No. 5660 on Second Reading.

## VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Quimbo). There is a motion for the approval of House Bill No. 5660 on Second Reading.

As many as are in favor, please say *aye*.

SEVERAL MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Quimbo). As many as are against, please say *nay*. (*Silence*)

APPROVAL OF H.B. NO. 5660  
ON SECOND READING

THE DEPUTY SPEAKER (Rep. Quimbo). The *ayes* have it; the motion is approved.

House Bill No. 5660 is approved on Second Reading.

The Dep. Majority Leader is recognized.

RATIFICATION OF CONF. CTTEE. RPT.  
ON H.B. NO. 5225 AND S.B. NO. 1277

REP. DEFENSOR. Mr. Speaker, we are in receipt of the Conference Committee Report reconciling the disagreeing provisions of House Bill No. 5225 and Senate Bill No. 1277.

May I ask that the Secretary General be directed to read only the titles of the measures.

THE DEPUTY SPEAKER (Rep. Defensor). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.\*

The Secretary General is directed to read only the titles of the measures.

*With the permission of the Body, and since copies of the Conference Committee Report have been previously distributed, the Secretary General read only the titles of the measures without prejudice to inserting the text of the report in the Congressional Record.*

THE SECRETARY GENERAL. House Bill No. 5225, entitled: AN ACT MANDATING THE PROVISION OF FREE WI-FI INTERNET ACCESS IN PUBLIC AREAS; and Senate Bill No. 1277, entitled: AN ACT ESTABLISHING THE FREE INTERNET ACCESS PROGRAM IN PUBLIC PLACES IN THE COUNTRY AND APPROPRIATING FUNDS THEREFOR.

REP. DEFENSOR. Mr. Speaker, I move that we ratify the said Conference Committee Report.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

DESIGNATION OF MEMBERS TO THE  
BICAM. CONF. CTTEE.

REP. DEFENSOR. I move that we designate the following as members of the Bicameral Conference Committee on House Bill No. 5633 and Senate Bill No. 1304: Reps. Ben P. Evardone and Celso L. Lobregat.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Members nominated are so designated. The Dep. Majority Leader is recognized.

RECONSIDERATION OF APPROVAL  
OF H.B. NO. 4149  
ON SECOND READING

REP. DEFENSOR. Mr. Speaker, I move that we reconsider the approval on Second Reading of House Bill No. 4149, entitled: AN ACT EXEMPTING FROM THE POPULATION AND LAND AREA REQUIREMENTS THE CONVERSION OF A MUNICIPALITY INTO A COMPONENT CITY IF IT HAS A LOCALLY GENERATED AVERAGE ANNUAL INCOME OF AT LEAST TWO HUNDRED FIFTY MILLION PESOS (P250,000,000.00), AMENDING FOR THE PURPOSE SECTION 450 OF REPUBLIC ACT NO. 7160, AS AMENDED, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991, to introduce some perfecting amendments.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion for reconsideration is approved.

Proceed, Dep. Majority Leader.

REP. DEFENSOR. Mr. Speaker, I move that we open the period of amendments.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

## INDIVIDUAL AMENDMENT

REP. DEFENSOR. Mr. Speaker, I move that we amend the title of House Bill No. 4149 to read as follows:

\* See MEASURES CONSIDERED (printed separately)

AN ACT ALLOWING THE CONVERSION OF A MUNICIPALITY OR A CLUSTER OF BARANGAYS WITH A LOCALLY GENERATED AVERAGE ANNUAL INCOME OF AT LEAST TWO HUNDRED FIFTY MILLION PESOS (P250,000,000.00) INTO A COMPONENT CITY IF IT HAS EITHER A POPULATION OF NOT LESS THAN ONE HUNDRED THOUSAND (100,000) INHABITANTS OR A CONTIGUOUS TERRITORY OF AT LEAST ONE HUNDRED (100) SQUARE KILOMETERS, AMENDING FOR THE PURPOSE SECTION 450 OF REPUBLIC ACT NO. 7160, AS AMENDED, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991.

I so move, Mr. Speaker.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the amendment is approved.

The Dep. Majority Leader is recognized.

REP. DEFENSOR. Mr. Speaker, I move that we close the period of amendments.

THE DEPUTY SPEAKER (Rep. Quimbo). Is there any objection? (*Silence*) The Chair hears none; the motion is likewise approved.

REP. DEFENSOR. Mr. Speaker, I move that we approve on Second Reading House Bill No. 4149, as amended.

#### VIVA VOCE VOTING

THE DEPUTY SPEAKER (Rep. Quimbo). As many as are in favor of House Bill No. 4149, as amended, please say *aye*.

SEVERAL MEMBERS. *Aye*.

THE DEPUTY SPEAKER (Rep. Quimbo). As many as are against, please say *no*.

FEW MEMBERS. *No*.

#### APPROVAL OF H.B. NO. 4149, AS AMENDED, ON SECOND READING

THE DEPUTY SPEAKER (Rep. Quimbo). The *ayes* have it; the motion is approved.

House Bill No. 4149, as amended, is approved on Second Reading.

The Dep. Majority Leader is recognized.

#### APPROVAL OF THE JOURNAL

REP. DEFENSOR. Mr. Speaker, I move that we approve Journal No. 92 of the session on May 22, 2017.

THE DEPUTY SPEAKER (Rep. Quimbo). There is a motion to approve Journal No. 92.

Is there any objection? (*Silence*) The Chair hears none; the motion is approved.

The Dep. Majority Leader is recognized.

#### ADJOURNMENT OF SESSION

REP. DEFENSOR. Mr. Speaker, I move that we adjourn the session until tomorrow, 24 May 2017, at four o'clock in the afternoon.

THE DEPUTY SPEAKER (Rep. Quimbo). The session is adjourned.

*It was 8:46 p.m.*