

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

First Regular Session
SEVENTEENTH CONGRESS

House Resolution No. 847



Introduced by the Honorable Arnolfo Arnie A. Teves Jr.

A RESOLUTION

URGING THE HOUSE COMMITTEE ON WAYS AND MEANS TO INVESTIGATE, IN AID OF LEGISLATION, THE ALLEGED TAX EVASION PRACTICE OF CERTAIN PERSONAL CARE, COSMETICS AND HOME CARE COMPANIES

WHEREAS, Section 28 of Article VI of the Philippine Constitution provides for the uniformity and equitability of the rule of taxation and the evolution by the Congress of a progressive system of taxation;

WHEREAS, market research shows that there is a considerable disparity between the actual tax being collected from certain beauty and cosmetics company and the taxes that they should be paying based on their revenues;

WHEREAS, research documents show a huge discrepancy between the revenues of the companies engaged in the importation, sale and distribution of personal, cosmetics and homecare products, and detergents, as shown in their filings with the Securities and Exchange Commission vis-à-vis actual sales as shown by market research data, as well as a considerable disparity in gross profit margin of these companies which understate their revenues, versus the gross profit margin of similar companies;

WHEREAS, the understatement of gross profit margin shows possible overstatement of cost of goods sold, understatement of profits and underpayment of taxes;

WHEREAS, the tax underpayment is to the detriment of the Philippine economy in general;

NOW, THEREFORE, BE IT RESOLVED by the House of Representatives to urge the House Committee on Ways and Means to investigate, in aid of legislation, the alleged tax evasion practice of certain personal care, cosmetics and home care companies.

APPROVED,


ARNOLFO "ARNIE" A. TEVES JR.