Committee Daily Bulletin

COMMITTEE MEETING

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Ways and Means	Substitute Bill to HBs 422 & 7994	Reps. Quimbo and Suansing (E.)	Establishing the fiscal regime for mining industry	The Committee, chaired by Rep. Estrellita Suansing (1st District, Nueva Ecija), decided to refer back the substitute bill to the technical working group (TWG) to thresh out certain issues raised during the meeting. Speaker Gloria Macapagal-Arroyo (2nd District, Pampanga) said that the substitute bill should incorporate the prohibition against open pit mining, as defined under Administrative Order (DAO) 2018-19 issued by the Department of Environment and Natural Resources (DENR). The Speaker enjoined the Department of Finance (DOF) to submit its position paper on the proposed law, otherwise the Committee will be constrained to just consider the inputs submitted by the DENR. Chamber of Mines of the Philippines Chair Gerard Brimo said that imposing additional taxes on the mining sector will discourage investments in the sector and may result in the closure of mining companies that, as it is, are already experiencing financial difficulties. The substitute bill provides, among others, that all mining contractors operating within or outside mineral reservations shall pay a royalty tax equivalent to five percent of the market value of the gross output of the mineral products. For mining contractors operating outside mineral reservations, the payment of royalty tax will be implemented gradually for five years until the tax rate reaches 5% on the fifth year. Likewise, the bill imposes additional government share to be paid by mining contractors when the basic government share is less than 50% of the net mining revenue. All the stakeholders were requested to submit their recommendations regarding the proposed law.