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House of Representatives

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No. 12

CALL TO ORDER

At 3:00 p.m., Deputy Speaker Pia S. Cayetano called the session to order.

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

NATIONAL ANTHEM

THE DEPUTY SPEAKER (Rep. Cayetano). Everyone is requested to rise for the singing of the Philippine National Anthem.

Everybody rose to sing the Philippine National Anthem.

THE DEPUTY SPEAKER (Rep. Cayetano). Please remain standing for the Invocation to be led by Rep. Sol Aragones.

Everybody remained standing for the Invocation.

INVOCATION

REP. ARAGONES. Dear God, we thank You for our country, the Philippines. This is our one and only nation. We love it and will continue to love it. We serve it and we will never stop serving it.

We thank You for our respective districts. They are the reason why we are here. Our representation of our districts has given us and continue to give us the opportunity to help our fellow Filipinos.

We thank You for the House leadership. They are responsible for steering our one Congress towards a common direction and a shared vision.

We thank You for all the Members of the House of Representatives. Each one of us contributes to the building of a better, bigger and a brighter tomorrow for all.

We thank You for our families. They who have been very understanding, accepting and loving even

if sometimes or oftentimes, we run out of quality time because of the call of duty.

Most of all, we thank You, dear God, everything that we have, and You have given to us. Everything that we do, we offer to You. We shall not ask for anything more. May Your will be done.

Amen.

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

ROLL CALL

REP. MARCOLETA. Mme. Speaker, I move that we call the roll of Members.

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

The Secretary is directed to call the roll of Members.

*The Secretary General called the roll, and the result is reflected in Journal No. 14, dated September 3, 2018.**

THE SECRETARY GENERAL. Mme. Speaker, the roll call shows that 203 Members responded to the call.

THE DEPUTY SPEAKER (Rep. Cayetano). With 203 Members responding to the call, the Chair declares the presence of a quorum.

The Majority Leader is recognized.

REP. ATIENZA. Mme. Speaker.

REP. ROA-PUNO. Mme. Speaker, I move that we approve Journal No. 13, dated August 29, 2018.

REP. ATIENZA. Mme. Speaker, before we act on that, ...

* See ANNEX (printed separately)

THE DEPUTY SPEAKER (Rep. Cayetano). Yes.

REP. ATIENZA. ... we would like to put on record that for the second time, the Secretariat has been reporting a very accurate count on those answering the roll call. We would like to congratulate them for that. Let us keep on doing that and we will keep on watching them. Congratulations!

THE DEPUTY SPEAKER (Rep. Cayetano). Thank you, Representative Atienza. Congratulations. The felicitations are delivered to the Secretariat.

The Majority Leader will please proceed.

APPROVAL OF THE JOURNAL

REP. ROA-PUNO. Mme. Speaker, may I reiterate my motion to approve Journal No. 13, dated August 29, 2018. I so move, Mme. Speaker.

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

The Majority Leader is recognized.

REP. ROA-PUNO. Mme. Speaker, I move that we proceed now to the Reference of Business.

THE DEPUTY SPEAKER (Rep. Cayetano). 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 Reports, and the Deputy Speaker made the corresponding references:

BILLS ON FIRST READING

House Bill No. 8137, entitled:

“AN ACT ESTABLISHING A POLYTECHNIC STATE COLLEGE IN THE MUNICIPALITY OF CUYAPO, PROVINCE OF NUEVA ECIJA TO BE KNOWN AS THE CUYAPO POLYTECHNIC STATE COLLEGE AND APPROPRIATING FUNDS THEREFOR”

By Representative Suansing (E.)

TO THE COMMITTEE ON HIGHER AND TECHNICAL EDUCATION

House Bill No. 8138, entitled:

“AN ACT RENAMING JULIA ORTIZ LUIS

NATIONAL HIGH SCHOOL LOCATED IN BARANGAY SAGABA, MUNICIPALITY OF STO. DOMINGO, PROVINCE OF NUEVA ECIJA TO MATIAS G. ANDRES MEMORIAL NATIONAL HIGH SCHOOL”

By Representative Suansing (E.)

TO THE COMMITTEE ON BASIC EDUCATION AND CULTURE

House Bill No. 8148, entitled:

“AN ACT MANDATING THE PROCUREMENT OF STATE-OF-THE ART AIRCRAFT RECOVERY EQUIPMENT FOR THE NINOY AQUINO INTERNATIONAL AIRPORT (NAIA) AND APPROPRIATING FUNDS THEREFOR”

By Representative Gomez

TO THE COMMITTEE ON TRANSPORTATION

House Bill No. 8149, entitled:

“AN ACT SEPARATING TABUK CITY NATIONAL HIGH SCHOOL-BANTAY EXTENSION IN BARANGAY BANTAY, CITY OF TABUK, PROVINCE OF KALINGA FROM THE TABUK CITY NATIONAL HIGH SCHOOL, CONVERTING IT INTO AN INDEPENDENT NATIONAL HIGH SCHOOL TO BE KNOWN AS BANTAY NATIONAL HIGH SCHOOL AND APPROPRIATING FUNDS THEREFOR”

By Representative Mangaoang

TO THE COMMITTEE ON BASIC EDUCATION AND CULTURE

House Bill No. 8150, entitled:

“AN ACT ESTABLISHING THE PHILIPPINE NATIONAL STANDARDS FOR BANKING AND FINANCIAL SERVICE CHARGES AND CLIENT PROTECTION AND WELFARE, AND FOR OTHER PURPOSES”

By Representative Abayon

TO THE COMMITTEE ON BANKS AND FINANCIAL INTERMEDIARIES

RESOLUTIONS

House Resolution No. 2094, entitled:

“RESOLUTION DIRECTING THE HOUSE COMMITTEE ON WOMEN AND GENDER EQUALITY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE POSSIBLE DISCRIMINATORY INCIDENT ON THE BASIS OF SEXUAL ORIENTATION OR GENDER IDENTITY INVOLVING DENIAL OF ENTRY TO JERVILI, MORE POPULARLY

KNOWN AS KALADKAREN DAVILA, AND COMPANY TO A BAR IN MAKATI ON ACCOUNT OF BEING MEMBERS OF THE LGBT COMMUNITY”

By Representative Roman
TO THE COMMITTEE ON RULES

House Resolution No. 2095, entitled:

“A RESOLUTION HONORING AND COMMENDING THE METROBANK FOUNDATION OUTSTANDING FILIPINOS OF 2018”

By Representative Acop
TO THE COMMITTEE ON RULES

House Resolution No. 2096, entitled:

“A RESOLUTION CONGRATULATING AND COMMENDING HONORABLE TERESITA DE CASTRO AS THE NEW SUPREME COURT CHIEF JUSTICE”

By Representative Olivarez
TO THE COMMITTEE ON RULES

House Resolution No. 2097, entitled:

“RESOLUTION HONORING AND COMMENDING THE METROBANK FOUNDATION OUTSTANDING FILIPINOS OF 2018”

By Representative Espino
TO THE COMMITTEE ON RULES

House Resolution No. 2098, entitled:

“RESOLUTION CALLING FOR AN INVESTIGATION IN AID OF LEGISLATION BY THE APPROPRIATE COMMITTEE OF THE HOUSE OF REPRESENTATIVES TO MANDATE THAT ALL COAL-FIRED POWER PLANTS CONVERT INTO SUPERCRITICAL POWER PLANTS WITHIN THREE YEARS”

By Representative Suarez
TO THE COMMITTEE ON RULES

House Resolution No. 2099, entitled:

“A RESOLUTION URGING THE APPROPRIATE HOUSE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE NECESSITY OF MODERNIZING THE EQUIPMENT OF THE BUREAU OF CUSTOMS TO IMPROVE BORDER CONTROL AND PREVENT SMUGGLING OF ILLEGAL SUBSTANCES AND OTHER COMMODITIES”

By Representative Sarmiento (E.M.)
TO THE COMMITTEE ON RULES

House Resolution No. 2100, entitled:

“A RESOLUTION URGING THE DEPARTMENT OF TRANSPORTATION AND OTHER RELEVANT GOVERNMENT AGENCIES TO REVIEW THEIR PROTOCOLS ON RESPONDING TO AIRPORT RUNWAY INCIDENTS AND OTHER EVENTS THAT WILL POTENTIALLY DISRUPT AIRPORT OPERATIONS”

By Representative Sarmiento (E.M.)
TO THE COMMITTEE ON RULES

House Resolution No. 2101, entitled:

“RESOLUTION CONGRATULATING AND COMMENDING YUKASASO FOR WINNING GOLD IN THE WOMEN’S INDIVIDUAL GOLF TOURNAMENT ON SUNDAY, 26 AUGUST 2018, AT THE 2018 ASIAN GAMES HELD IN THE PONDOK INDAH GOLF AND COUNTRY CLUB, INDONESIA”

By Representative Sambar
TO THE COMMITTEE ON YOUTH AND SPORTS DEVELOPMENT

House Resolution No. 2102, entitled:

“RESOLUTION CONGRATULATING AND COMMENDING YUKA SASO, BIANCA PAGDANGANAN, AND LOIS KAYE GO FOR WINNING GOLD IN THE WOMEN’S TEAM GOLF TOURNAMENT ON SUNDAY, 26 AUGUST 2018, AT THE 2018 ASIAN GAMES HELD IN THE PONDOK INDAH GOLF AND COUNTRY CLUB, INDONESIA”

By Representative Sambar
TO THE COMMITTEE ON YOUTH AND SPORTS DEVELOPMENT

House Resolution No. 2103, entitled:

“RESOLUTION CONGRATULATING AND COMMENDING FILIPINA OLYMPIAN HIDILYN DIAZ FOR HER INSPIRING VICTORY IN WINNING THE GOLD MEDAL IN THE WOMEN’S 53-KILOGRAM WEIGHTLIFTING DIVISION AT THE 18TH ASIAN GAMES IN JAKARTA, INDONESIA”

By Representative Gomez
TO THE COMMITTEE ON RULES

House Resolution No. 2105, entitled:

“A RESOLUTION EXPRESSING THE COLLECTIVE SENSE OF THE HOUSE OF REPRESENTATIVES TO CONGRATULATE BROTHER EDUARDO V. MANALO FOR NINE (9) YEARS OF VICTORIOUS CHURCH ADMINISTRATION AS HE MARKS HIS 9TH ANNIVERSARY AS THE EXECUTIVE

MINISTER OF THE IGLESIA NI CRISTO
ON SEPTEMBER 7, 2018”

By Representative Castelo
TO THE COMMITTEE ON RULES

MESSAGES FROM THE SENATE

Message dated August 28, 2018, informing the House of Representatives that the Senate on even date passed Senate Bill No. 178, entitled:

“AN ACT PROVIDING FOR THE REGULATION AND SUPERVISION OF PAYMENT SYSTEMS”

in which it requests the concurrence of the House of Representatives

TO THE COMMITTEE ON BANKS AND FINANCIAL INTERMEDIARIES

Message dated August 28, 2018, informing the House of Representatives that the Senate on even date passed Senate Bill No. 1455, entitled:

“AN ACT DECLARING THE FILIPINO SIGN LANGUAGE AS THE NATIONAL SIGN LANGUAGE OF THE FILIPINO DEAF AND THE OFFICIAL SIGN LANGUAGE OF GOVERNMENT IN ALL TRANSACTIONS INVOLVING THE DEAF, AND MANDATING ITS USE IN SCHOOLS, BROADCAST MEDIA, AND WORKPLACES”

in which it requests the concurrence of the House of Representatives

TO THE COMMITTEE ON SOCIAL SERVICES

Message dated August 28, 2018, informing the House of Representatives that the Senate on even date passed Senate Bill No. 756, entitled:

“AN ACT DECLARING THE SEVENTEENTH OF NOVEMBER OF EVERY YEAR AS NATIONAL STUDENT LEADER’S DAY”

in which it requests the concurrence of the House of Representatives

TO THE COMMITTEE ON BASIC EDUCATION AND CULTURE AND THE COMMITTEE ON HIGHER AND TECHNICAL EDUCATION

Message dated August 28, 2018, informing the House of Representatives that the Senate on even date passed Senate Bill No. 747, entitled:

“AN ACT DECLARING JULY 25 OF EVERY YEAR AS THE NATIONAL CAMPUS PRESS FREEDOM DAY”

in which it requests the concurrence of the House of Representatives

TO THE COMMITTEE ON HIGHER AND TECHNICAL EDUCATION

Message dated August 28, 2018, informing the House of Representatives that the Senate on even date passed Senate Bill No. 1898, entitled:

“AN ACT AMENDING SECTIONS 66 AND 67 OF REPUBLIC ACT NO. 6975, OTHERWISE KNOWN AS THE ‘DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT ACT OF 1990’, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES”

in which it requests the concurrence of the House of Representatives

TO THE COMMITTEE ON LOCAL GOVERNMENT

Message dated August 28, 2018, informing the House of Representatives that the Senate on even date passed with amendments House Bill No. 7522, entitled:

“AN ACT REAPPORTIONING THE PROVINCE OF AKLAN INTO TWO (2) LEGISLATIVE DISTRICTS”

TO THE COMMITTEE ON LOCAL GOVERNMENT

Message dated August 28, 2018, informing the House of Representatives that the Senate on even date passed with amendments House Bill No. 5577, entitled:

“AN ACT MANDATING THE CONSERVATION OF GABALDON SCHOOL BUILDINGS NATIONWIDE, PROVIDING PENALTIES FOR VIOLATIONS, AND APPROPRIATING FUNDS THEREFOR”

TO THE COMMITTEE ON BASIC EDUCATION AND CULTURE

Message dated August 29, 2018, informing the House of Representatives that on August 28, 2018, the Senate designated Senators Francis “Chiz” G. Escudero, Ralph G. Recto and Paolo Benigno “Bam” Aquino IV as conferees to the Bicameral Conference Committee on the disagreeing votes on House Bill No. 6065, entitled:

“AN ACT RENAMING THE NAVAL STATE UNIVERSITY (NSU) IN THE MUNICIPALITY OF NAVAL, PROVINCE OF BILIRAN, AS THE BILIRAN PROVINCE STATE UNIVERSITY (BILSU) AND REMOVING THE PROHIBITION ON THE APPOINTMENT OF THE UNIVERSITY PRESIDENT AND PRIVATE SECTOR REPRESENTATIVES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9718, ENTITLED: ‘AN ACT CONVERTING THE NAVAL INSTITUTE OF TECHNOLOGY IN THE MUNICIPALITY OF NAVAL, PROVINCE OF BILIRAN INTO A STATE UNIVERSITY TO BE KNOWN

AS THE NAVAL STATE UNIVERSITY,
INTEGRATING THEREWITH THE BILIRAN
NATIONAL AGRICULTURAL COLLEGE IN
THE MUNICIPALITY OF BILIRAN AND
APPROPRIATING FUNDS THEREFOR”
TO THE COMMITTEE ON RULES

Message dated August 29, 2018, informing the House of Representatives that on August 28, 2018, the Senate designated Senators Francis “Chiz” G. Escudero, Ralph G. Recto and Paolo Benigno “Bam” Aquino IV as conferees to the Bicameral Conference Committee on the disagreeing votes on House Bill No. 6715, entitled:

“AN ACT SEPARATING THE SOUTHERN PHILIPPINES AGRICULTURE, BUSINESS, MARINE AND AQUATIC SCHOOL OF TECHNOLOGY (SPAMAST)-DIGOS CITY CAMPUS IN THE CITY OF DIGOS, DAVAO DEL SUR, FROM THE SPAMAST IN THE MUNICIPALITY OF MALITA, DAVAO OCCIDENTAL AND CONVERTING IT INTO A STATE COLLEGE TO BE KNOWN AS THE DAVAO DEL SUR STATE COLLEGE, AND APPROPRIATING FUNDS THEREFOR”
TO THE COMMITTEE ON RULES

Message dated August 29, 2018, informing the House of Representatives that on August 28, 2018, the Senate designated Senators Francis “Chiz” G. Escudero, Ralph G. Recto and Paolo Benigno “Bam” Aquino IV as conferees to the Bicameral Conference Committee on the disagreeing votes on House Bill No. 6741, entitled:

“AN ACT CONVERTING THE ZAMBOANGA CITY STATE POLYTECHNIC COLLEGE INTO A STATE UNIVERSITY TO BE KNOWN AS THE ZAMBOANGA PENINSULA POLYTECHNIC STATE UNIVERSITY, AND APPROPRIATING FUNDS THEREFOR”
TO THE COMMITTEE ON RULES

Message dated August 30, 2018, informing the House of Representatives that the Senate on even date passed without amendment House Bill No. 5553, entitled:

“AN ACT DECLARING SEPTEMBER 2 OF EVERY YEAR A SPECIAL NONWORKING HOLIDAY IN THE PROVINCE OF IFUGAO, IN COMMEMORATION OF THE SURRENDER OF GENERAL TOMOYUKI YAMASHITA, COMMANDER OF THE JAPANESE IMPERIAL ARMY IN THE PHILIPPINES, IN KIANGAN, IFUGAO”
TO THE COMMITTEE ON RULES

COMMITTEE REPORTS

Report by the Committee on Legislative Franchises (Committee Report No. 839), re H.B. No. 8155, entitled:

“AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO CATHOLIC BISHOPS’ CONFERENCE OF THE PHILIPPINES, INC., UNDER REPUBLIC ACT NO. 5172, AS AMENDED BY REPUBLIC ACT NO. 7530”

recommending its approval in substitution of House Bill No. 4820

Sponsors: Representatives Alvarez (F.) and Salceda

TO THE COMMITTEE ON RULES

Report by the Committee on Legislative Franchises (Committee Report No. 840), re H.B. No. 8156, entitled:

“AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO MOUNTAIN PROVINCE BROADCASTING CORPORATION UNDER REPUBLIC ACT NO. 8164, ENTITLED ‘AN ACT GRANTING THE MOUNTAIN PROVINCE BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN RADIO BROADCASTING STATIONS IN BENGUET, IFUGAO, KALINGA, APAYAO, AND MOUNTAIN PROVINCE (FORMERLY KNOWN AS MOUNTAIN PROVINCES)’”

recommending its approval in substitution of House Bill No. 7129

Sponsors: Representatives Alvarez (F.) and Go (M.)

TO THE COMMITTEE ON RULES

Report by the Committee on Legislative Franchises (Committee Report No. 841), re H.B. No. 8157, entitled:

“AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO TIRAD PASS RADIO TV BROADCASTING NETWORK, INC. UNDER REPUBLIC ACT NO. 8070, ENTITLED ‘AN ACT GRANTING THE TIRAD PASS RADIO TV BROADCASTING NETWORK, INC., A FRANCHISE TO CONSTRUCT, ESTABLISH, OPERATE AND MAINTAIN COMMERCIAL AM-FM RADIO AND TELEVISION STATIONS IN THE PHILIPPINES, AND FOR OTHER PURPOSES’”

recommending its approval in substitution of House Bill No. 5702

Sponsors: Representatives Alvarez (F.) and Singson

TO THE COMMITTEE ON RULES

Report by the Committee on Government Reorganization, the Committee on National Defense and Security and the Committee on Appropriations (Committee Report No. 842), re H.B. No. 8165, entitled:

“AN ACT CREATING THE DEPARTMENT OF DISASTER RESILIENCE, DEFINING ITS POWERS AND FUNCTIONS, AND APPROPRIATING FUNDS THEREFOR”

recommending its approval in substitution of House Bills Numbered 344, 6075, 108, 596, 2638, 3093, 4203, 4648, 138, 397, 454, 805, 1132, 1149, 1374, 1379, 1485, 1763, 1812, 2122, 2146, 2555, 2608, 2661, 2784, 2804, 2854, 3083, 3094, 3509, 3889, 4521, 4809, 5593, 6786, 6794, 6857, 7218, 7324, 7693, 7789 and 7968; House Resolutions Numbered 439, 645, 721, 724, 1714 and in consideration of Privilege Speeches Numbered 120, 160, 217 and 336

Sponsors: Representatives Romualdo, Espino and Nograles (K.A.)

TO THE COMMITTEE ON RULES

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

REP. ROA-PUNO. Mme. Speaker, before we continue, I would like to acknowledge the presence of our guests in the gallery starting off with the guests of the Hon. Jeffrey D. Khonghun, the Barangay Council Members and other Officials of Barangay San Roque, Castillejos, Zambales, and the Barangay Council Members and other Officials of Barangay Del Pilar, Castillejos, Zambales.

THE DEPUTY SPEAKER (Rep. Cayetano). May we ask the guests to stand. You are welcome. Thank you for visiting us here in the House of Representatives. *(Applause)*

REP. ROA-PUNO. We would like to acknowledge the presence of the guests of the Hon. Bernadette “BH” Herrera-Dy, the members of the different organizations of women workers from the following organizations: Workers4EML, Nagkaisa!, IndustriAll, Partido ng Manggagawa, Sentro, Kayumanggi, Ina ng Bayan, Associated Labor Union, Trade Union Congress of the Philippines, Akbayan Women, and Federation of Free Workers.

THE DEPUTY SPEAKER (Rep. Cayetano). Guests

of Representative Herrera-Dy, thank you for coming to the House of Representatives. *(Applause)*

REP. ROA-PUNO. Finally, we would like to acknowledge the presence of the guests of the Hon. Lawrence H. Fortun from the First District of Agusan del Norte, the Butuan City LGU Officials, Department of Education Caraga Officials, and the Barangay Officials from Butuan City.

THE DEPUTY SPEAKER (Rep. Cayetano). The guests from Butuan City are standing over there. Thank you for visiting us here in the House of Representatives. *(Applause)*

The Majority Leader is recognized.

PRIVILEGE HOUR

REP. ROA-PUNO. Mme. Speaker, today being a Monday, I move that we open the floor for the Privilege Hour, and I now move that we recognize the Gentleman from the Second District of Bataan, the Hon. Jose Enrique “Joet” S. Garcia III to avail of the Privilege Hour.

I so move, Mme. Speaker.

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

The Chair declares a Privilege Hour.

The Rep. Jose Enrique Garcia is hereby recognized.

PRIVILEGE SPEECH OF REP. GARCIA (J.)

REP. GARCIA (J.). Thank you, Mme. Speaker, Majority Leader.

Mme. Speaker, distinguished Members, ladies and gentlemen, good afternoon.

Two years ago, I stood before this august Chamber to deliver my maiden privilege speech, paying homage to the man who had served this House well by taking the cudgels for everyone and tenaciously pursuing worthwhile causes in issues, all in the name of unstinted public service.

I am again referring to Cong. Jose Enrique “Tet” Garcia Jr., my best friend, mentor and father, whose untimely demise on June 13, 2016 robbed him of the opportunity to see through the fruition of what may yet be his greatest legacy as a public servant.

Mme. Speaker, just recently, the Supreme Court en banc promulgated its decision declaring that Congress exceeded its constitutional boundary when it limited to the national internal revenue taxes the base from which to compute the “just share” of local government units in national taxes.

On August 28, 2013, more than five years ago, the

late Cong. Tet Garcia filed a petition in/with the Supreme Court assailing the constitutionality of Section 284 of Republic Act No. 7160, or the Local Government Code for changing the basis in determining the share of the LGUs from “national taxes” as ordained in the Constitution to “national internal revenue taxes.” In the alternative, he challenged the legality of the exclusion of certain taxes under special laws as well as the value-added taxes and excise taxes collected by the Bureau of Customs in the computation of the internal revenue allotment.

A similar petition was also filed by then Batangas Cong. Hermilando Mandanas, together with several other LGU officials, praying for the inclusion of the collections of the BOC of value-added taxes, excise taxes, and documentary stamp taxes in the computation of the IRA on the ground that the said taxes are by law deemed to be part of the internal revenue taxes. Both petitions prayed for the payment of the LGU share in arrears reckoned from 1992.

After five long years, the Supreme Court finally sustained Congressman Garcia’s main contention. The Court went on so to declare that the exclusion of national taxes like customs duties and taxes from the exploitation and development of national wealth among others from the base of determining the just share of LGUs contravened the expressed mandate of Section 6, Article X of the 1987 Constitution.

Upholding the strong arguments presented by Congressman Garcia, the Supreme Court declared as unconstitutional the insertion of the phrase “internal revenue” in Section 284 of the Local Government Code of 1991 and ordered its deletion from all other pertinent provisions of the law and its implementing rules and regulations.

For its implementation, a direct order was issued by the Supreme Court to the Department of Finance, the Department of Budget and Management, the BIR and the BOC, and the National Treasurer to include all collections of national taxes save for a few exceptions in the computation of the base of the just share of the LGUs. A far cry from what the LGUs have been getting since 1992, this is the embodiment of Congressman Garcia’s vision of providing full empowerment to all LGUs across the country for them to effectively fulfill their mandated tasks.

Unfortunately, the Supreme Court dismissed the plea of the national government for settlement of arrears in the just share of LGUs by declaring that the decision shall have prospective application. Applying the doctrine of operative fact, the Court justified that the existence of the law prior to the determination of its unconstitutionality is an operative fact that produced consequences which cannot always be erased, ignored, or disregarded.

In a separate opinion, Justice Alfredo Benjamin Caguioa also explained that petitioners cannot claim

deficiency IRA from previous fiscal years as these funds may already have been used for national projects, the undoing of which would not only be physically impossible but also impractical and burdensome for the government.

Mme. Speaker, I have nothing but respect for the erudite articulation of the legal principles and doctrines underpinning the landmark decision. More than the legal or doctrinal considerations, however, the claim of the LGUs for their share in arrears present a simple and uncomplicated demand capable of settlement sans the rigid and limiting effects of the legal precepts invoked. The decision itself recognizes that the doctrine is resorted to only as a matter of equity and fair play.

The LGUs have been deprived of their just share in national taxes for over 26 years. Denying them of their claims in arrears by reason of the operative fact doctrine neither serves equity nor fair play. It perpetuates an injustice unwittingly or wittingly inflicted by imperfect bill drafting or astute legislative craftsmanship. Far from respecting equity and fair play, the application of the doctrine immortalizes the LGUs’ unfair deprivation of their just share.

The effects of the declaration of unconstitutionality of the phrase “internal revenue” in Section 284 of RA No. 7160 and the exclusion of other national taxes from the base for determining the just share of LGUs are not irreversible. In fact, government projects on which the funds may have been used need not be undone. The national government can make up for the share and arrears without undoing anything it has previously undertaken. The payment of the share and arrears can neither be considered impractical nor extremely burdensome on the part of the national government. The fear that it will lead to deficiency in the economy and to an increase in the national debt is actually unfounded.

In the words of Justice Presbitero Velasco Jr., payment of the arrears may indeed prove too much for the government’s strained budget to meet unless paid out on installment or in staggered basis. One other option is securitization which was successfully done before through the share in arrears of LGUs may involve a humongous sum. However, the huge amount withheld should not itself be the armor that aids the government in deflecting the claim of the LGUs.

Another misconception being floated is that the increase in the LGUs’ share upon the finality of the SC decision would necessarily call for a corresponding increase in the national budget. This is not so. The national government can make up for the increased share by giving greater role to the LGUs and allocating the corresponding funds in the implementation of services by line agencies of the national government with functions devolved to the local government units.

Our Constitution encourages decentralization to grant greater autonomy to LGUs in recognition of their

right to self-government, to make them self-reliant and to improve their administrative and technical capabilities. To realize these aspirations, the Constitution has also seen fit not only to confer broader powers to LGUs to create their own sources of revenue but also to guarantee them their just share in the national taxes.

The Supreme Court has spoken. The LGUs are entitled to a just share based on national taxes and not on national internal revenue taxes. Let me, therefore, reiterate my appeal two years ago to our beloved President Rodrigo Roa Duterte, to please direct the immediate release to the LGUs of their just share based on the Supreme Court decision. LGUs need the fund to enable them to develop and ultimately become self-sustaining and effective contributors to the national economy. The LGUs are anxiously looking forward to the day when the just share withheld for them for the longest time will finally benefit their constituents. Immediately implementing the decision and finding ways to make good the deficiency is never too late. This will positively impact on the LGUs services, no less.

As my father's favorite quote says, "Being in the frontline, the LGUs are regarded by the citizens as the government." If local governments fail and are unresponsive to the basic needs of the people, then the government, to this people, is a failure regardless of the grandiose plans and visions the national government has.

Mme. Speaker, distinguished Members, thank you for your attention.

THE DEPUTY SPEAKER (Rep. Cayetano). Thank you Representative Garcia for updating us on that Supreme Court decision and congratulations to your late father for the fulfillment of his vision.

The Majority Leader is recognized .

REP. ROA-PUNO. Mme. Speaker, may we recognize the Honorable Manuel F. Zubiri for his interpellation.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). The Honorable Zubiri is recognized.

REP. ZUBIRI. Good afternoon, Mme. Speaker.

Will the Gentleman of Bataan heed to some questions, Mme. Speaker?

REP. GARCIA (J.). Gladly, Mme. Speaker.

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

REP. ZUBIRI. Mme. Speaker, the Gentleman from Bataan mentioned that the Supreme Court decision ruled that the just share of the LGUs should be based

on national taxes and not on national internal revenue taxes alone. Is that correct, Mme. Speaker?

REP. GARCIA (J.). That is correct, Mme. Speaker.

REP. ZUBIRI. May I be clarified, just for clarity, on the national taxes that should be included in the base for computing the just share of LGUs, Mme. Speaker.

REP. GARCIA (J.). Mme. Speaker, I would like to narrate what was included in the Supreme Court decision:

x x x the collection of national taxes for inclusion in the base of the just share the Local Government Units shall include, but shall not be limited to, to the following:

(a) The national internal revenue taxes enumerated in Section 21 of the National Internal Revenue Code, as amended, collected by the Bureau of Internal Revenue and the Bureau of Customs;

(b) Tariff and customs duties collected by the Bureau of Customs;

(c) 50% of the value-added taxes collected in the Autonomous Region of Muslim Mindanao, and 30% of all other national taxes collected in the Autonomous Region of Muslim Mindanao.

The remaining 50% of the collections of value-added taxes and 70% of the collections of the other national taxes in the Autonomous Region of Muslim Mindanao shall be the exclusive share of the Autonomous Region of Muslim Mindanao pursuant to Section 9 and Section 15 of Republic Act No. 9054;

(d) 60% of the national taxes collected from the exploitation and development of the national wealth.

The remaining 40% of the national taxes collected from the exploitation and development of the national wealth shall exclusively accrue to the host Local Government Units pursuant to Section 290 of Republic Act No. 7160 (Local Government Code);

(e) 85% of excise taxes collected from locally manufactured Virginia and other tobacco products.

x x x

(f) The entire 50% of the national taxes collected under Sections 106, 108 and 116 of the NIRC as provided under Section 283 of the NIRC; and

(g) 5% of the 25% franchise taxes given to the National Government under Section 6 of Republic Act No. 6631 and Section 8 of Republic Act No. 6632.

REP. ZUBIRI. Marami pong salamat, Mme. Speaker. Thank you for the clarification.

The second question, Mme. Speaker, the Gentleman from Bataan proposes that as a means of facilitating but tempering the burden on the national government from the projected increase in the just share of the LGUs, as well as in his desire for the national government to make good the arrears, the LGUs should be given a greater role and allocation in the implementation of services by line agencies devolved to LGUs.

What are some of these line agencies and services, Mme. Speaker?

REP. GARCIA (J.). Mme. Speaker, there are several national government agencies whose functions have been devolved to local government units—these include the DOH, and on the screen, I have put up also the proposed 2019 budget of these line agencies. So for the DOH, P141 billion; for the DA, P49.8 billion; for the DENR, P25.1 billion; and for the DSWD, P173.3 billion. The total budget for just these four line agencies is P389.2 billion, and I would like to reiterate that health, agriculture, environment and social services have been devolved to the local government units.

I believe these are some of the examples of services that the LGUs can provide when given their proper share in the national taxes.

REP. ZUBIRI. Mme. Speaker, medyo malaki. That is almost P400 billion that can go to local projects po, Mme. Speaker, and I am in agreement to what the Gentleman has said. But I have a few, few questions, if you do not mind, Mme. Speaker. I have about three more questions at hand.

THE DEPUTY SPEAKER (Rep. Cayetano). Please proceed; the Speaker is very interested in your questions. Thank you.

REP. ZUBIRI. Thank you very much, Mme. Speaker.

Mme. Speaker, the Gentleman appears to be keen in pursuing the settlement of the just share in arrears of LGUs. Will this not be too burdensome on the part of the national government? I just want to make that clear because the amount is quite substantial, Mme. Speaker.

REP. GARCIA (J.). Mme. Speaker, I believe there are creative ways of settling the arrears in the share in the national taxes that have not been given to local government units for the past several years, in fact, 26 years. One way to do this is via installment or staggered basis. We can also do this through monetization, and I would like, again, our colleagues to look at the slide on the screen wherein in 2006, our current Speaker, then President Gloria Macapagal-Arroyo, issued an

Executive Order for the release of the P17.5 billion IRA for Calendar Year 2000 and 2001 that were not given.

And, if we look at Section 1 of this Executive Order, the respective shares from the P17.5 Unprogrammed IRA in Calendar Year 2000, 2001 shall be given in an installment basis for a period of seven years, starting 2007 up to 2013. The LGUs may also avail in advance of their respective shares in the unreleased IRA through a monetization program with local banks, with government banks.

So, Mme. Speaker, I believe it is just a matter of talking to the national government, the local government and, of course, Congress on how this can be done. It should not be a burden to the national government, but I believe doing this would even push our plan of making sure that services, projects, are implemented faster.

Thank you, Mme. Speaker.

REP. ZUBIRI. Marami pong salamat, Mme. Speaker.

Mme. Speaker, does the Gentleman have an estimate of what the LGUs stand to receive as increment in their just share in the national taxes pursuant to the Supreme Court decision?

REP. GARCIA (J.). Mme. Speaker, I was able to get some data from the Department of Budget and Management and if we compare it from what was supposed to be released to the local government units this 2019, with the decision, they project an increase of 34 percent or P195.68 billion. So, from a little less than P500-P600 million, the IRA, the share in national taxes will now be, at least for 2019, P771.1 billion. On an average, each local government unit will be getting an increase of around 30 percent.

REP. ZUBIRI. Marami pong salamat, Mme. Speaker, and lastly, Mme. Speaker, will the adjusted share of LGUs in national taxes require the appropriation and approval of Congress before they can be released to the LGUs? Just to clarify, Mme. Speaker.

REP. GARCIA (J.). Mme. Speaker, it was included in the decision of the Supreme Court. The Supreme Court commanded the automatic release, without need for further action, of the just shares of the LGUs in national taxes through the respective provincial, city, municipal or barangays treasurers, as the case may be, on a quarterly basis, but not beyond five days from the end of each quarter, as directed in Section 6, Article 10 of the 1987 Constitution and Section 286 of R.A. No. 7160 and operationalized by Article 383 of the IRR of R.A. No. 7160.

REP. ZUBIRI. Thank you very much, Mme. Speaker.

Last but not the least, sang-ayon po ako dito. Alam ko po, iyong mga LGUs, they know what the problems are in their areas and when it comes to implementation, direct po iyong implementation. For as long as may checks and balances. Nandoon po ang COA, makaka-implement po ng sapat at mabilis po itong mga LGUs. That is why I am with you, Congressman, and we have to get this. This is not just for you, but this is for all of us.

Marami pong salamat, Mme. Speaker.

Marami pong salamat, Congressman Garcia. Thank you.

THE DEPUTY SPEAKER (Rep. Cayetano.). Thank you.

The Presiding Officer has questions.

Is the Supreme Court decision final, and second, have you discussed this with the DBM? And what is the position of the Department on this?

REP. GARCIA (J.). Mme. Speaker, they filed a motion for reconsideration, if I am not mistaken, around two weeks ago. I think they are still questioning some of the items in the decision of the Supreme Court.

THE DEPUTY SPEAKER (Rep. Cayetano.). Thank you.

The Majority Leader is recognized.

REP. ROA-PUNO. Mme. Speaker, I move that we refer the speech of the Honorable Garcia to the Committee on Rules for its appropriate action.

I so move, Mme. Speaker.

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

REP. ROA-PUNO. Mme. Speaker, before we go on, we would like to acknowledge the presence of more guests in the gallery from the municipality of Lemery, Batangas, namely: Geraldine Ornales, Barangay Captain Regina Corona, Barangay Captain Narcisa Sagala, Barangay Captain Susana Barredo, Rommel Masongsong from Barangay Mahayhay, and, Mr. Eldrich Catapang, from Barangay Bagong Pook. They are all guests of the Hon. Juliet R. Cortuna, Representative of Party-List A TEACHER.

THE DEPUTY SPEAKER (Rep. Cayetano.). To our guests from Lemery, Batangas, thank you for visiting the House of Representatives. (*Applause*)

REP. ROA-PUNO. Mme. Speaker, I move that we recognize the Hon. Carlos Isagani T. Zarate of the Party-List BAYANMUNA, who wishes to avail of the Privilege Hour.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano.). The Honorable Zarate is recognized. Please, proceed.

PRIVILEGE SPEECH OF REP. ZARATE

REP. ZARATE. Maraming salamat, Mme. Speaker. Magandang hapon po sa ating mga kasamahan at sa ating mga bisita ngayong araw.

Mme. Speaker, sa pagkakataong ito po ay nais kong itutok ang atensyon ng mga kapwa ko Mambabatas sa nangyayaring tiraniyang bumabalot ngayon sa ating bansa.

Mme. Speaker, sinasabi nila maraming mukha ang tiraniya or tyranny. Ang isang mukha nito ay ang takot na kapag wala pa ang iyong kaanak sa bahay kapag madilim na. Iyon ang isang mukha. May pangamba ka nang nararamdaman. Ang tanong mo sa sarili, “Baka natokhang na ang anak ko, kapatid, asawa, magulang.” Iyon ang unang papasok sa isip sa halip na krimen. Hindi na rin tayo panatag kahit na hindi addict o pusher ang ating mga mahal sa buhay dahil alam nating ilang libong musmos at mga inosente ang napagkamalan, nadamay, namatay sa kalsada at sa kanilang mga bahay, sa mga barong-barong. Walang ligtas, Mme. Speaker, mga kasamahan ko sa Kongreso, liban siguro sa mga drug lords, mga maimpluwensya at mayayaman. Nakakatakot ito, Mme. Speaker.

Samantala, ang isa pang mukha ng tiraniya ay ang karahasan laban sa manggagawang tumitindig para sa kanilang karapatan sa sapat na sahod at karapatan. Marahil lumapat na rin sa inyong social media sites ang kilusang #BoycottNutriAsia, na karugtong ng mainit na protesta ng mga manggagawa sa kumpanyang nagma-manufacture ng ketchup, suka, toyo at iba pa. Nilalabanan ng mga manggagawa doon ang kontraktwalisasyon at maging sa iba pang korporasyon katulad ng PLDT, Jollibee at iba pa. Mayroong paglaban hindi lang sa kontraktwalisasyon kung hindi maging sa paglabag sa batas paggawa at karapatan ng mga manggagawa. Nitong nakaraan, marahas na binuwag ng Marilao Police ang piket, pinaghahampas ang mga manggagawa at mga tagasuporta nito, at dinakip ang marami, kabilang na ang mga miyembro ng media. Ang kasuklam-suklam at kabaha-bahala pa dito ay ang pagtanim diumano ng kasama sa protesta na may bitbit na baril o droga, ngunit nang maimbestigahan ay isa pala itong inmate sa Marilao Police mula pa noong 2016, na diumano ay binugbog ng pulis at tinakot upang magpanggap na aktibista. Anong klaseng pulis ang gumagawa ng ganitong klaseng kabulastugan lalo’t sa isang peaceful na pag-aaklas ng mga manggagawa? Paano tayo aasa na ang mga pulis ay pangangalagaan ang ating kaligtasan?

Sa totoo lang, Mme. Speaker, ni lumabas lang sa tarangkahan ng bahay ay may kaba ka na rin. Tumapak

ka lang palabas sa pinto ay maaaring sabihing istambay ka at pwede ka nang damputin. Napakaraming ganitong kaso ngayon na arbitraryong pinaghuhuli sa iba't ibang komunidad ang mga nakaistambay lang. Ang biro pa nga, tambay ka na nga at dahil na endo o natapos na iyong trabaho at wala kang ginagawa, pagkatapos, huhulihin ka pa rin.

Ngunit, Mme. Speaker, mga kapwa ko Mambabatas, hindi ito nakakatawa para sa mga malalim na nag-uunawa dahil ito ay tanda na sa ating bayan sa ngayon, sa Pilipinas, ang mga puwersa ng pamahalaan ay siyang naghahari. Ang ating karapatan ay binabalewala at ang mamamayan ay nasasadlak sa tiraniya ng mga puwersa ng estado. Ang tiraniya ay buong-buo, ramdam ng bawat isa sa ilalim ng kasalukuyang pamahalaan. Ito ay tunay na kabaligtaran ng ating sinasabing demokrasya.

Sa kanayunan ay ganoon din ang kinalalagyan: balot sa takot ang mga kapatid nating Lumad sa Mindanao dahil sa walang tigil na operasyong militar sa kanilang mga lupang ninuno. Paulit-ulit ang paglikas sa kanilang kabahayan at pamayanan dahil sa walang puknat na military operations sa kanilang lupain upang bigyang daan ang mga malalaking korporasyon ng mina at mga plantasyon. Samantala, ang mga kapatid nating Igorot sa Mountain Province ay ligalig din sa pagbabase ng mga militar sa kanilang mga komunidad na tila bagang ginawang launching pad ng operasyong militar sa kanilang village o ili.

Hindi lingid sa ating lahat na nitong nakaraan, Mme. Speaker, ang mga dating Kinatawan ng Kongresong ito mula sa Bayan Muna na sina Teddy Casiño at Satur Ocampo, kasama ang dating Secretary ng National Anti-Poverty Commission na si Liza Masa, at ang dating Kalihim ng Department of Agrarian Reform na si Ka Paeng Mariano ay pinatawan rin ng warrant of arrest dahil sa mga gawa-gawang kasong isinampa halos 10 taon na ang nakalipas.

Hindi lamang nagkataon na binuhay ang matagal nang patay na kaso. Hindi rin natin maaring tingnan na hindi ito bahagi ng pag-iigting, ng panunupil lalung-lalo na sa mga mamamayang lumalaban. Parte at kasama ito sa lumalalang tiraniya sa ating bayan.

Sa katunayan, Mme. Speaker, mahigit isang libong gawa-gawang kaso na sa buong bansa ang naisampa sa mga lider manggagawa, lider magsasaka, lider ng mga katutubong Lumad at iba pang pang-masang organisasyon.

Sa katunayan, sinasabi nating mapalad ang tinaguriang “Makabayan 4” nang sinang-ayunan ng korte ang pagkawalang-saysay ng kaso sa dahilang wala itong sapat na ebidensya. Ngunit hindi ganito ang kwento ng napakaraming mga bilanggong pulitikal na batbat ng gawa-gawang kaso. Mahigit 500 sa kasalukuyan ang political prisoners. Nariyan sina Rafael Baylosis, Maoj Maga, at si Ferdinand Castillo. Nito lamang nakaraang dalawang linggo ay dinakip ang

mga dating organisador ng mga kawani ng pamahalaan sa ilalim ng Confederation for Unity, Recognition and Advancement of Government Employees or COURAGE na sina Rowena at Oliver Rosales. Sila ay nasa kustodiya ngayon ng CIDG sa Camp Crame matapos silang dakpin sa isang palengke sa Bulacan. Sila ay pinusasan at piniringan ng mga pulis at militar na nakadamit sibilyan.

Mme. Speaker, mga kasamahan ko sa Kongreso, ang layunin ng talumpating ito ay pukawin muli ang ating mga isipan at damdamin sa kinasasadlakan ng mayorya ng ating mga mamamayan. Habang tayo ay nagbabalangkas ng batas, nagsasalita sa matayog na mga entablado, nakikipagpulong sa ligtas na mga bulwagan, ang ating mga mamamayan ay humaharap sa mga baril, kanyon, truncheon, at rehas ng estado. Hindi tayo dapat magkibit-balikat at maging bingi-bingihan na lamang, magbulag-bulagan sa nangyayaring patayan at karahasan sa tila kawalang silbi ng mga batas na ginagawa natin dito sa Kongreso.

Sa panahon ng panunupil tulad ng mga naranasan natin sa kamay ng diktadurang Marcos ay may tawag ang panahon, at dalawa lamang ang ating pagpipilian: sumama sa pagtatanggol ng karapatan o maging bahagi ng pang-aapi at pagsasamantala. Hamon sa ating lahat na piliin ang nauna.

Maraming salamat at magandang hapon, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano).
Salamat Representative Zarate.

The Majority Leader is recognized.

REP. ROA-PUNO. Mme. Speaker, I move that we refer the speech of the Honorable Zarate to the Committee on Rules for its appropriate action.

I so move, Mme. Speaker.

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

The Majority Leader is recognized.

REP. ROA-PUNO. Mme. Speaker, I move that we recognize the Hon. Sarah Jane I. Elago of the KABATAAN Party-List for her privilege speech.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). The Honorable Elago is recognized.

PRIVILEGE SPEECH OF REP. ELAGO

REP. ELAGO. Thank you, Mme. Speaker.
I rise on the commemoration of International Youth Day.

The past month of August saw the gainful commemoration of International Youth Day or IYD in schools and communities nationwide. Among the focal areas for youth development and protection with this global observance include education, employment, environment, gender equality and inter-generational relations. These priority areas were officially decided upon in 1995, the 10th anniversary of the International Year of the Youth. IYD has been commemorated since the year 2000 in celebration of the positive qualities of young people and in recognition of the challenges that today's youth face.

This year's theme, "Safe Spaces for the Youth," aims to address the need of the youth for safe spaces where they can come together, engage in activities in relation to their diverse needs and interests, participate in decision-making processes, and freely express themselves.

The United Nation Youth Department of Economic and Social Affairs further highlights that while there are many spaces for young people, safe spaces ensure the dignity and safety of the youth. Safe spaces such as civic spaces enable the youth to engage in governance issues; public spaces afford the youth the opportunity to participate in sports and other leisure activities in the community; digital spaces help the youth interact virtually across borders with everyone; and well-planned physical spaces can help accommodate the needs of diverse youth, especially those vulnerable to marginalization and other attacks.

For a nation of safe spaces for all Filipinos, for our generation and the next, Mme. Speaker, the KABATAAN Party-List, along with national youth and student formations has led a youth movement for new politics that aims to unite the youth in their hundreds and millions to advance the people and youth's agenda. This compendium of demands articulates the collective aspirations of the Filipinos in the field of political economy, culture, military and even foreign relations.

First in the youth and peoples agenda is education. Recognizing the vital role of education in nation building, the Filipino youth primarily calls for the institution of free public education at all levels. Even with the passage of the Universal Access to Quality Tertiary Education Act, the commercialization policy remains. No Filipino student should be deprived of education due to skyrocketing cost of matriculation and other school fees, which is brought about by the intensifying deregulation of education. The education curriculum should be oriented toward serving the interests of the Filipino people. Unlike the current state, the said education program, along with other anti-student policies should be reviewed, including the "No Permit, No Exam Policy" and the "No Late Payment Policy," and ultimately, laws and regulations

such as the CHED Memorandum Order No. 3 and the "Education Act of 1982," which legitimize education deregulation in the country. At the same time, Mme. Speaker, the democratic rights of Filipino students must be upheld and safeguarded, including the right to an independent student government, campus press, and the right to organize. Campus militarization and harassment should be eradicated. Finally, the Filipino youth is clamoring for a nationalist, scientific, and mass-oriented type of education that casts away the colonial, neoliberal and commercialized educational system that we presently have.

Second in the agenda is genuine agrarian reform. The youth recognizes the large role played by the peasant sector in Philippine society. And this is the primary reason why genuine agrarian reform is part and parcel of the people's agenda pushed by the Filipino youth. We are calling for the free distribution of land, the end of land grabbing, and the fight against public-private partnerships that in most instances deprive Filipino farmers of the land they long to till.

Third is decent wages and jobs for all. The Philippine labor force is composed, for the most part, of young Filipinos. Therefore, the agenda of Filipino workers is the agenda of the Filipino youth. We demand decent wages and jobs for all. In particular, we support the call of various labor unions and organizations for the daily P750 national minimum wage. Security of tenure is also of utmost importance, especially in a regime that has but legitimized labor contractualization. We call for the termination of the labor export policy, widespread contractualization, and mechanisms such as the regional wage boards that grossly violate the right of workers which continue to worsen the cycle of exploitation.

Fourth is the fight for national sovereignty and patrimony. As the conflict surrounding the West Philippine Sea intensifies, the Filipino youth also seeks to galvanize the nation to fight against Chinese encroachment and the growing US military intervention. Lopsided deals including the Enhanced Defense Cooperation Agreement and the Visiting Forces Agreement should be abrogated. Meanwhile, the Filipino youth also calls for the reinvigoration of the nationalist spirit that is the key to galvanizing the nation's fight in defense of our national sovereignty and patrimony.

Fifth is the battle against corruption. One of the issues which the youth continue to call against is the systemic corruption that has emptied the coffers of our nation. The call for truth, justice, and accountability should continue especially for the masterminds of the patently illegal PDAF scam and the Disbursement Acceleration Program.

Sixth is for quality basic social services. The Filipino youth stands for the renationalization and subsequent rollback in the prices of basic utilities

and services including oil, water, and electricity. Free public healthcare should be the primary agenda, as well as the commitment for greater support for public hospitals. Moves for further privatization of hospitals and other basic social services must be stopped. An efficient, high quality and free mass transport system should also be established.

Seventh is peace. The pursuit of just and lasting peace is of primary importance. The Filipino youth recognizes the fact that peace can only be attained once the root causes of armed revolutions in the country are addressed. The Filipino youth calls for the resumption of peace talks between the national government and all revolutionary groups. We also call for the unequivocal release of political prisoners whose continued incarceration has become one of the main barriers in the continuation of peace negotiations.

Last, Mme. Speaker, is to uphold the rights and welfare of marginalized sectors. Corollary to the call for better living conditions for each and every Filipino is the fight for the rights and welfare of all marginalized sectors of society, including women, national minorities, LGBT community, and overseas Filipino workers. Their rights and demands should be addressed, trumpeted, and not relegated to the sidelines of history where they have largely remained until now.

Nagpapasalamat din tayo, Mme. Speaker, sa buwan ng Agosto, dahil halos araw-araw na nagkakaroon ng State of the Youth Address na pinamumunuan ng mga konseho ng mga mag-aaral, mga student publications ng iba't ibang mga organisasyon sa loob ng mga pamantasan, ng mga kolehiyo, at ng iba't ibang mga paaralan sa buong bansa. Mula sa Lambak ng Cagayan, sa Benguet, sa Timog Katagalugan, lalung-lalo na ng pagkakaroon ng mga pocket State of the Youth Address sa Cavite, sa Palawan hanggang sa Cebu, Zamboanga Peninsula, hanggang sa Cotabato City, Davao City at sa General Santos City.

Ang agenda na ito ang siyang nagiging gabay sa loob ng mga State of the Youth Addresses upang sistematiko na makapagplano ang mga kabataan, sa pakikipagtulungan ng kanilang mga lingkod-bayan. Ang agenda na ito ay sumasalamin sa pangarap ng mga kabataan at ng ating bayan. Ang pangarap na ito ay isusulong natin nang puno ng pag-asa, at ng organisadong pagkilos para sa tunay na pagbabago.

Kaya ang Representasyon na ito mula sa KABATAAN ay tinatawagan ang ating mga kapwa Mambabatas, mga lingkod bayan, mga kabataan, at ang ating mga kababayan na lumahok at makiisa sa darating na Setyembre 6 at September 21, ang Pambansang Araw ng mga Pagkilos, kung saan magkakaisa muli ang lahat ng ating mga kabataan ng buong bansa, sa pakikipagtulungan ng iba't ibang sector, para sa pagtatanggol ng kanilang karapatan at ng kanilang kagalingan.

Maraming salamat, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). Thank you, Representative Elago. The Majority Floor Leader is recognized.

REP. ROA-PUNO. Mme. Speaker, I move that we refer the speech of the Honorable Elago to the Committee on Rules for its appropriate action.

I so move, Mme. Speaker.

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

The Majority Floor Leader is recognized.

REP. ROA-PUNO. Mme. Speaker, before we proceed, we would like to recognize the guest of the honorable Sr. Dep. Majority Leader Rodante D. Marcoleta Sr.—Dra. Theresita Ruiz from New York City, USA, who is in the gallery today.

THE DEPUTY SPEAKER (Rep. Cayetano). To the guest of the Honorable Marcoleta, welcome to the House of Representatives. (*Applause*)

The Majority Leader is recognized.

REP. SUAREZ. Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). The Minority Leader is recognized, yes.

RECOGNITION OF NEW MEMBERS OF THE MINORITY BLOC

REP. SUAREZ. Mme. Speaker, I respectfully move that the following be recognized as the new members of the Minority bloc of the Seventeenth Congress: Hon. Shernee Abubakar Tan, from KUSUG TAUSUG Party-List; Hon. Rodel M. Batocabe, from the AKO BICOL Party-List; Hon. Salvador “Bong” B. Belaro Jr., from the 1-ANG EDUKASYON Party-List; Hon. Christopher S. Co, from the AKO BICOL Party-List; Hon. Mohamad Khalid Quibranza Dimaporo, from the First District of Lanao del Norte; Hon. Juliet Marie D. Ferrer, from the Fourth District of Negros Occidental; Hon. Evelyn P. Mellana, from the Second District of Agusan del Sur; Hon. Maria Valentina G. Plaza, from the First District of Agusan del Sur; and Hon. Strike B. Revilla, from the Second District of Cavite.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). The manifestation of the Minority Leader is noted.

REP. ROA-PUNO. Mme. Speaker, I move that we recognize the Hon. Ariel “Ka Ayik” B. Casilao of Party-List ANAKPAWIS for his privilege speech.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). The Honorable Casilao is recognized. Please proceed.

PRIVILEGE SPEECH OF REP. CASILAO

REP. CASILAO. Thank you, Mme. Speaker. I bring the message of the Filipino small coco-farmers, assembled at the Coco Summit for Members of the House of Representatives. Mme. Speaker, this Representation just came from attending a National Coco-Farmers Summit held in Legazpi City last August 24-25, 2018. I was supposed to deliver this message last week.

The Summit was attended by more or less 100 coconut farmers' organizations representing their coco-producing regions and provinces in the country. The farmers discussed the sorry state of our coconut industry and their own miserable conditions as coconut farmworkers and farmers. Out of the discussions, Mme. Speaker, they came up with a message that they asked this Representation to bring to this House so their perspectives and demands can be heard in the plenary. Hence, the urgency of the matter.

Mme. Speaker, our coconut industry used to be one of the pillars of our agricultural economy. Our coconut products used to be the top export of the country. But years of government programs that squeezed dry our lowly coco-farmers while fattening landlord-traders have not only wasted away its productivity and potential for growth but also consigned the industry to its death bed. Our coconut sector, Mme. Speaker, is now among our industries in its sunset years.

The coconut industry has an area of 3.26 million hectares, about a third of the country's agricultural lands, with about four to five million farmers and farmworkers. But according to available official data, 60 percent of the coconut farmers are poor, arguably the highest in the rural sector.

Mme. Speaker, it is easy to see why our coconut farmers are among the poorest of the poor. According to the cocofarmers attending the Summit, four out of every five farmers in the industry are landless. Because of landlessness, they are vulnerable to sharing schemes that ensure that they get only a subsistence portion of the product. The prevalent crop sharing in the industry is 60-40, Mme. Speaker, in favor of the landlords, and in many areas, the 75-25 sharing still exists. Our farmers are also vulnerable to usury and trade practices that further reduce their share of the value of their products. Rural loan sharks do not fail to use usury to capture the harvests of coconut farmers and impose on them low prices as a devise for settling loan accounts. Prices of coconut products are low while the cost of harvesting is high, which has recently climbed even higher, Mme. Speaker, because of the implementation of the Tax Reform Law. Copra prices swing from long periods of

depressed levels to high prices that are like lightning. They quickly disappear before our farmers could bring their products to the town market and enjoy the high prices. Last month, the prices even went as low as P4.00 per kilo, Mme. Speaker. In addition to low prices, they are made to suffer trade practices that further rob them of the true value of their products. These practices, Mme. Speaker, have many names like rescada, tara, taktak, tenor, milyamil, and several others, but they have one devise and purpose. They skim off the share that should rightfully go to the lowly coconut farmers. It is estimated that because of these devious practices, Mme. Speaker, our coconut farmers are robbed of 40 to 50 percent of the real value of their products which represents lost proceeds or income.

During the Summit, Mme. Speaker, the coconut farmers heard the short-term road map of the Philippine Coconut Authority for the industry, which includes the Accelerated Coconut Planting and Replanting, Coconut Hybridization Project, the Coconut Fertilization Project, and the KANIB Project. But after hearing the PCA, they were one in voicing out two main concerns about the road map: first, given the widespread landlessness in the industry, our small and poor coconut farmers do not stand to be included in any of those programs and projects because of their land-ownership requirements; second, they note that none of those programs and projects address their long-standing complaints about those inured merchant practices that robbed them of the real value of their products.

Mme. Speaker, given the dire situation they are in, our coconut farmers have a message for this House, and they are sending it through this Representation with the fervent hope that Members of this House will strain a bit to listen to them. Their message is urgent as it is compelling if we want to see their liberation from poverty and hunger: They want us to rethink our development paradigm for the industry by enacting a coconut industry rehabilitation and development program that will truly uplift the industry from morass of backwardness and improve the quality of life of our coconut farmers.

According to our coconut farmers, such a program must be anchored on the following elements: one, a genuine agrarian reform program that distributes the lands free for our farmers; two, a poverty alleviation or elimination program that is driven by the provision of direct production support and innovative services for our small coconut farmers coupled by a protection program that will eliminate those trade practices that skim off their share of the product.

Mme. Speaker, talk has become cheap about the lack of competitiveness of our coconut industry which, in the end, blames our poor coconut farmers for not having the entrepreneurial spirit to play in accordance to the rules of the global market or global trade. But the farmers

who attended that Summit are not taking the blame for the sorry state of the industry. In fact, they would rather assert that all this talk about competitiveness or lack of it is actually victim-blaming. They are not competitive because, in the first place, the rules of the game are rigged against them and the government continues to follow those rules even when these same rules, the same policies, and the same programs have produced the same results that perpetuate poverty, and backwardness of the industry.

Our coconut farmers are asking this House to try something new that we have not done before, something that will truly make a difference. It is along this line, Mme. Speaker, that trying something new and they also strongly urge this House, to not approve the bicameral report that will enact the Coconut Levy Trust Fund. Unfortunately, we have already ratified the Bicam Bill.

The same which robbed them 30 years ago, they think that within the spirit and intention of the law, it will again rob them for the second time. Our coconut farmers would like to remind this House that they are the owners of the fund and they have not given anyone in the House any mandate or right. The rightful owners should be the one who should decide where the funds would go, the use of the fund, and the income and the increments for projects that will directly benefit our coconut farmers.

Thank you, Mme. Speaker, good afternoon.

THE DEPUTY SPEAKER (Rep. Cayetano). Thank you, Representative Casilao.

REP CASILAO. Thank you, Mme. Speaker. Good afternoon.

THE DEPUTY SPEAKER (Rep. Cayetano). Thank you, Representative Casilao.

The Majority Leader is recognized.

REP. ROA-PUNO. Mme. Speaker, I move that we suspend the Privilege Hour.

I so move, Mme. Speaker.

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

The Majority Leader is recognized.

CONSIDERATION OF H.B. NO. 8083

Continuation

REP. ROA-PUNO. Mme. Speaker, I move that we now proceed with the consideration of measures under the Calendar of Unfinished Business. For this purpose, I move that we resume the consideration of House Bill No. 8083.

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

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

THE SECRETARY GENERAL. House Bill No. 8083, entitled: AN ACT AMENDING SECTIONS 4, 5, 20, 22, 27, 28, 34, 40, 50, 73, 112, 117, 119, 204, 222, 237, 237-A, 255, 256, 257, 258, 260, 261, 262, 263, 264, 265, 266, 275, 288, 290, AND ADDING SECTIONS 6-A, 282-A, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 301-A, 301-B, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, AND 314 UNDER THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES.

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

PERIOD OF SPONSORSHIP AND DEBATE

REP. ROA-PUNO. Mme. Speaker, the status of the said Bill is that we are in the period of sponsorship and debate. I move that we recognize the first interpellator of the said Bill on Second Reading. I move that we recognize the Hon. Arlene D. Brosas of Party-List GABRIELA for her interpellation.

I so move, Mme. Speaker.

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

The Hon. Arlene Brosas is recognized.

REP. BROSAS. Thank you, Mme. Speaker.

Will the Sponsor yield to some questions of this Representative?

REP. CUA. Gladly, Mme. Speaker. May I be recognized.

THE DEPUTY SPEAKER (Rep. Cayetano). We cannot hear.

REP. CUA. May I be recognized, Mme Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). Yes, the Honorable Cua is recognized.

REP. CUA. We are ready to answer questions, Mme. Speaker.

REP. BROSAS. Yes, thank you.

Kaunti lang pong mga katanungan kaugnay sa TRAIN 2 o TRABAHO Bill na sinasabi ninyo.

Hinggil po sa lowering ng corporate income tax, pangunahing laman ng TRAIN 2 ang pagpapababa ng corporate income tax rate patungong 20 percent mula 30 percent. Sinabi ng mga proponents na susi ito para makaakit ng investments. Ano ang batayan ng claim na 30 percent corporate income tax rate ay isang malaking hadlang sa investors?

REP. CUA. Itong impormasyon ay nanggaling po mismo sa mga negosyante at mga investors na sinasabing ang Pilipinas po ang may pinakamataas na corporate income tax rate sa buong rehiyon, at 30 percent. Ang median po ng—o kalagitnaan na average ng lahat ng mga karatig bansa natin dito sa Southeast Asia ay nasa 22 percent. Kaya po minamarapat ng ating mga economic managers at ng mga nag-akda ng panukalang ito na—to keep up with the times and to bring down to a more competitive rate our corporate income tax.

REP. BROSAS. Pero, G. Isponsor, Mme. Speaker, mula din po sa DOJ iyong isa pong table kung saan nakalagay ang, "... the lack of incentives is not a leading problem for doing business in the Philippines."

Ayon mismo sa World Economic Forum 2017 survey, hindi naman tax regulations at tax rates ang pangunahing problema ng mga investor for doing business sa bansa. Ang numero unong problema ay inefficient government bureaucracy; sumunod, inadequate infrastructure; at, pangatlo ang corruption. Bakit pinipilit ang pagpapababa ng corporate income tax kung hindi naman ito ang pangunahing concern ng mga mamumuhunan?

Kung susundin ng lohika ang World Economic Forum at ang neoliberal na pamantayan ng competitiveness at ease of doing business, mas dapat pagtuunan ng pansin ang pagresolba sa problema sa burukrasya at korapsyon at hindi talaga iyong magpapababa ka ng corporate income tax.

REP. CUA. Kung ang katanungan po ay kung bakit natin itinutuloy na pag-usapan ang pagbaba ng corporate income tax despite the reports that were cited, naniniwala po tayo na ang solusyon sa sitwasyon ay comprehensive na solusyon at hindi po tingi-tinging solusyon. Kaya po ang administrasyon ay naglunsad din at isinabatas ang Ease of Doing Business Bill or Law na siyang ipinatupad ng ating gobyerno para nga ma-address itong mga concerns ng mga investors. Pero, kung ating titingnan, ang pagbaba po ng corporate income tax rate ay hindi lamang para sa foreign direct investments o sa mga dayuhang inaakit natin na mamuhunan o magnegosyo dito sa ating bansa.

Ito ay tungkol rin sa karapatan ng ating mga negosyante o domestic investors na magkaroon ng tamang tax treatment upang ang kanilang negosyo ay lumago at umusbong.

Sa mundo po ngayon, we are all experiencing a global economy kung saan ang mga kumpanya mula sa Pilipinas, Thailand, Malaysia at iba't ibang bansa ay nakikilahok sa isang global market. Kailangan po maging competitive ang ating mga negosyante dito para sila ay maging competitive din sa global market. Kaya po iyan din ang isang kabilang advantage of being more competitive and by modernizing our corporate income tax rates.

REP. BROSAS. Granting na iyong TRAIN 2 po will draw investments to the country, ano iyong empirical data na magsusuporta dito?

REP. CUA. Well—iyong datos po ay hinihingi lang po natin para maging specific po ang ating mga sagot, Mme. Speaker.

Mme. Speaker, habang nililikom po ang empirical data, nais ko lang banggitin na ang pagbaba ng corporate income tax rate gives rise to more investments to our micro-, small- and medium-sized enterprises. Kaya po ito ang nagiging tulak ng ating economic managers dahil nakikita natin na ang karamihan ng employment dito sa ating bansa ay pinapasan ng ating mga micro-, small- and medium-sized enterprises kaya gusto po nating bigyan ng pagkakataon ang mga SMEs na lumago ang kanilang negosyo, dagdagan ang kanilang investments, at posibleng mag-hire ng mas maraming empleyado.

REP. BROSAS. Mme. Speaker, Mr. Sponsor, napakataliwas po ng sinasabi natin na patuloy na nagdo-draw ng investment sa atin kasi nananatiling malubha iyong kawalan ng trabaho.

Araw-araw, nagpapalabas tayo ng 5,000 mahigit na OFW. So, ibig sabihin po, paano ninyo ine-explain iyon na lumalabas iyong mga tao dahil walang trabaho dito, samantalang sinasabi ninyo, tumataas naman iyong FDI, tumataas naman—nagdo-draw tayo ng mga investors dito sa ating bayan?

So, paano po natin ipapaliwanag iyon? Napaka-ironic po noon.

REP. CUA. Tama po ang inyong obserbasyon at ako ay sang-ayon sa inyong obserbasyon na talagang kulang po ang trabaho dito sa ating bansa. Granted na nire-report ng ating mga economic managers na dumadami ang investments, hindi lang po siya talaga sapat para habulin ang pangangailangan ng trabaho sa ating lipunan.

Mme. Speaker, we do not deny the fact that there is really a shortage of employment opportunities for our people. Kaya nga po sinisikap ng Representasyon ito at ng ating economic managers na baguhin ang sistema na kung saan magiging mas akma ang environment o ang kapaligiran o ang mga ingredients para sa paglago ng mga investments.

Naniniwala tayo na kapag naging modernized ang ating investments incentives mechanism ay magiging mas patas ang playing field, mas marami ang magiging investors, at isa po itong hakbang patungo sa mas maraming trabaho.

REP. BROSAS. G. Isponsor, kahit ano pong pagkumpuni sa fiscal incentives at paggamit ng performance-based investments menu na kumukunsidera sa job generation, hindi naman natin binabago iyong TRAIN 2. Ang nakalagay pa rin doon may dependence tayo sa foreign investments at ang oryentasyon ay sa exports ng ekonomiya. Tama po ba?

REP. CUA. Tama iyon sa nakaraan at sa kasalukuyan, masyado tayong nagiging focused sa foreign direct investments. Pero ang paniniwala natin ngayon ay dapat bigyan natin ng pagkakataon na umusbong ang domestic investments as well. Dito makikita natin sa panukala natin na binibigyan talaga ng strong bias in favor of manufacturing industries or those that will improve our trade balance in order for our economy to lessen its dependence on our importation. Ang gusto nga po natin talaga ay magkaroon tayo ng mas masiglang manufacturing base na siyang lilikha ng mas maraming trabaho.

REP. BROSAS. Pero dito po sa ating ipinapanukala patungo po ito sa servicing regional global trade trends at hindi pa rin naman nagshi-shift para sa—towards self-sufficiency, kahit pa sinasabi natin na magpo-focus tayo sa manufacturing. Kasi in effect, iyong pagpapababa ng mga corporate income tax ng mga malalaking korporasyon, ng mga dayuhang korporasyon parang ito, kaninong pakinabang po ito, hindi ba? Hindi naman sa mga MSMEs, hindi rin naman sa mga maliliit na firms at korporasyon kundi parang paglibang po kasi eh. Bibigyan natin sila ng relief or dagdag na profit samantala—nag-a-agree po ako eh na bigyan ng relief ang mga MSMEs, pero iyong bigyan ng relief even iyong mga malalaking korporasyon at dayuhang korporasyon dito sa ating bansa, doon po may problema. Naniniwala akong kinakailangan ng mga MSMEs natin ito pero iyong mga malalaking korporasyon hindi. Hindi ba dapat sila ay mas buwisan pa nga natin at hindi natin sila bigyan ng mga incentives?

REP. CUA. Tama po iyon, Mme. Speaker, sang-ayon tayo sa mungkahi ng ating kasamahan dito sa Kongreso na hindi dapat—kasi sa ating pag-aaral, karamihan ng favorable or ng magagandang tax incentives ay napupunta sa mas malalaking kumpanya. Iyan po iyong, at least, ipinapakita sa atin ng datos. Kaya po kasabay ng pag-lower ng corporate income tax o pagpapagaan ng tax burden ng 95 percent of our corporate taxpayers na siyang micro-, small- and medium-sized enterprises, kailangan din po nating i-modernize ang ating fiscal incentives menu. Kailangan po kasi natin tingnan kung

sino ang talagang nararapat na mag-enjoy ng incentives, Mme. Speaker. Dahil kakambal po ng objective natin na mag-attract ng more investments, gusto rin po natin ito maging mas targeted, mas time bound, mas transparent ang buong proseso para sa ganoon iyong mga malalaking kumpanyang na dati nang nag-e-enjoy ng incentives, na nabawi na po nila ang kanilang puhunan, na hindi naman na nag-e-expand o lumilikha ng bagong trabaho, ay maaari namang magkaroon ng sunset ang kanilang tax incentives dahil naniniwala tayo na hindi nararapat na magpatuloy ang kanilang incentives.

On the other hand, Mme. Speaker, kung ang investor naman ay lumilikha ng trabaho at patuloy na nag-e-expand at dumadami ang nililikha nitong trabaho at pinapalago ang ating ekonomiya, then we will offer a system na maaari silang patuloy na mag-renew ng kanilang set of incentives para nang sa ganoon kanila ring mabawi ang kanilang expansion. At ganoon pa man, magtuluy-tuloy ang kanilang expansion, magtuluy-tuloy ang kanilang paglikha ng trabaho at magtuluy-tuloy ang ating pag-akit ng investments.

REP. BROSAS. G. Isponsor, maaari po ba kayong maglahad ng breakdown ng latest corporate income tax collections mula sa large enterprises na sinasabi ninyo sa mga micro-, small- and medium-sized enterprises, para malaman po natin kung magkano ang napapakinabangan talaga ng gobyerno mula sa mga corporate income tax na ito, at magkano iyong napapakinabangan din ng gobyerno sa mga income tax na nakukuha natin mula sa mga MSMEs, para po makita natin kung talaga bang makikinabang ang Estado kapagka binabaan natin iyong corporate income tax ng mga malalaking korporasyon at dambuhalang korporasyon?

REP. CUA. Lilikumin lang po natin ang datos, Mme. Speaker.

REP. BROSAS. Kasi, Mme. Speaker, kung hindi naman mag-i-impact sa poverty natin at mas lalong magiging hindi naman sustainable, mag-e-escalate lang lalo iyong inequality, anong sasabihin natin na report natin na socio-economic growth na meron tayo kung lalo lang maghihirap ang kalakhan ng mamamayan sa atin?

SUSPENSION OF SESSION

REP. SALO. Mme. Speaker, I move for a few minutes suspension of the session.

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

It was 4:38 p.m.

RESUMPTION OF SESSION

At 4:40 p.m., the session was resumed.

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

Please repeat your motion.

REP. SALO. Mme. Speaker, I respectfully move that we resume the consideration of House Bill No. 8083, contained in Committee Report No. 818.

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

REP. CUA. Thank you, Mme. Speaker.

Nakuha na po natin ang datos. Sa taong 2017, ang total collection ng corporate income tax ay nasa P588 billion. Ang nagmula sa large taxpayers ay nagkakahalaga ng P258 billion. Pasensya na po pero wala tayong breakdown or classification below the large taxpayers dahil wala ito sa parameters ng ating BIR.

REP. BROSAS. So, P588 billion, distinguished Sponsor, Mme. Speaker, at P258 billion naman ang total para sa MSMEs.

Kung susuriin lumalabas na mas malaki talaga ang tax collection mula sa large enterprises kumpara sa pinagsamang tax collection mula sa MSMEs na halos kalahati.

REP. CUA. Sa P588 billion po, ang nakolekta ng BIR mula sa large taxpayers ay P258 billion.

REP. BROSAS. So P258 billion.

REP. CUA. Opo. Nasa P330 billion ang nakolekta sa non-large taxpayers.

REP. BROSAS. So lumalabas po na hindi malayo, P258 billion and P330 billion.

REP. CUA. Opo.

REP. BROSAS. Nabanggit po ninyo kanina iyong ganansya ng MSMEs dito sa pagbaba ng corporate income tax. Anu-ano po ang mga iyon?

REP. CUA. Kung ako ay isang medium enterprise sa kasalukuyan na nagbabayad ng 30 percent corporate income tax, at sa darating na panahon ay magbabayad na lang ng 20 percent ng corporate income tax, at iyan po ay napakalaking ginhawa sa aking negosyo na maaari kong i-reinvest sa expansion o maaari ko pong i-upgrade

sa suweldo ng aking mga manggagawa o maaari pa po, if the market is competitive, mag-translate sa pagbaba ng presyo ng aking mga produkto.

REP. BROSAS. Pero sa MSMEs po, ang mga benepisyo na makukuha sa TRAIN 2, anu-ano lang ba ang available sa kanila? Ano po iyong tax and duty incentives na sinasabi at kanino lang ito available?

REP. CUA. Itong bagong binubuong framework, Mme. Speaker, will allow any company or all companies in our country that are performing in the industries that are listed under the Strategic Investments Priority Plan, to avail of the incentive packages that are available.

Ang ibig sabihin niyan, lahat ng kumpanya, malaki man o maliit, basta ang kanilang negosyo ay natutuon sa ating Strategic Investments Priority Plan, o ang listahan ng ating gobyerno ng mga industriyang ating gustong pausbungin, sila po ay viable or candidate na makatanggap ng tax incentives.

REP. BROSAS. Particular po sa Section 294 ng Bill, inilagay ninyo:

Sec. 294. Incentives. – Registered projects or activities under the Strategic Investments Priority Plan shall be qualified to any of the following incentives:

(A) Income tax incentives

(1) Income tax holiday x x x;

(2) Reduced corporate income x x x;

(3) Depreciation allowance of the assets that is acquired for the entity's production of goods and services (qualified capital expenditure) x x x;

(4) x x x Additional deduction on the increment of the direct labor expense x x x;

(5) x x x Additional deduction on research and development x x x;

(6) x x x Additional deduction on trainings incurred x x x;

(7) x x x Deduction on infrastructure development x x x;

(8) x x x Deduction for reinvestment allowance manufacturing industry; [and]

(9) x x x Enhanced Net Operating Loss Carry-Over (NOLCO).

x x x

(B) Exemption from customs duty on importation of capital equipment and raw materials directly and exclusively used in the registered activity x x x.

x x x

(C) Value-Added Tax

(1) Registered export enterprises whose export sales meet the ninety percent (90%)

threshold and are located within an ecozone, freeport, or those utilizing Customs bonded manufacturing warehouse x x x.

x x x

Section 295. Incentives for AgriBusiness. Agribusiness projects of registered enterprises located outside Metro Manila and other urban areas as identified in the Strategic Investment Priority Plan x x x.

Section 296. Projects located in less developed areas or those recovering from armed conflict or a major disaster x x x as determined by the Office of the President x x x.

Section 297. Relocation projects. x x x.

Lumalabas po halos iyong mga nakapasok na sinasabi ninyo sa SIPP lang. Malalaking import and export firms ang pupuwede dito. Silang mga nasa eco-zones at freeports ang mga pagpapalain.

Ngayon, ano pong assurance na magkakaroon talaga ng espasyo sa SIPP ang mga MSME natin?

REP. CUA. Mme. Speaker, guaranteed po ito ng ating panukala dahil hindi ito limited sa large taxpayers. In fact, sa SIPP po maitatala ng ating gobyerno ang lahat ng industriya na gusto nating pausbungin, at doon sa talaan na iyon, hindi po kikilalanin kung ang isang nagnanais na magrehistro for incentives ay isang large, medium or micro enterprise. Ito pong menu ay free for all, maging maliit o malaking kumpanya, maging 20 empleyado o 20,000 empleyado ang nakaloob diyan sa kumpanya ay maaaring mag-apply for these incentives listed o nabanggit ng ating kasamahan.

REP. BROSAS. Therein lies my problem, Mme. Speaker, distinguished Sponsor. Babawasan natin ng 10 percent pati MSMEs. Halimbawa, sa top 100 corporations, magkano ang tax na nakukuha ng gobyerno at magkano ang tax na nakukuha ng gobyerno sa MSMEs? Kapag ginanon mo po, hindi ba ang big winner pa rin dito ay ang big industry players or the big corporations? Kasi unang-una, hindi po natin inihihiwalay iyong TRAIN 1 sa TRAIN 2. In fact, nagtataka po ako bakit inuna iyong TRAIN 1, puwede namang unahin iyong TRAIN 2. Hindi ba? I cannot help but think, ano ba talaga ang reason kung bakit may TRAIN 2 ngayon? Connected po silang dalawa. Unang-una, iyong TRAIN 1, ang personal income tax ng mga mayayaman, mga investor, natatamasa na nila. Tapos ang corporate income tax ngayon bababa sa TRAIN 2. Hindi ba sila din ang magtatamasa, iyong top 100 corporations na malalaki at mayayaman na, ang 10 percent po na tax cut sa large enterprises ay hindi kapareho ng sa MSMEs natin kasi ang MSMEs natin nangangailangan pa nga ng higit na tulong? Tapos

nabawasan sila, pero ang large corporations parang tagibang po ito.

REP. CUA. Mme. Speaker, tama po ang ating kasamahan na dapat makita ang mga repormang ito in one package. Ang una po nating pinasa noong nakaraang taon ay ang pagbababa ng personal income tax dahil gusto natin na maging mas progressive ang ating tax system, at ma-unburden ang ating middle class na siyang nagbabayad ng parehong income tax rate kagaya ng mga bilyonaryo ng ating lipunan. Kaya inayos po natin ang schedule nang sa ganoon ang ordinaryong middle class na si Juan Dela Cruz ay hindi na o mas mababa ng buwis ang babayaran kumpara sa mga may-ari ng bangko sa ating lipunan.

Ang Package 2 po naman ay inilulunsad natin para maakit ang mas maraming investors sa ating bansa, at para ang mga micro-, small- and medium-sized enterprises ay lumago. Gusto nating silang bigyan ng pagkakataon na makipag-compete sa ating mga karatig-bansa sa pamamagitan ng pag-establish ng competitive corporate income tax rate, nang sa ganoon kapag sila ay makipag-agawan na sa merkado in a global forum, hindi naman sila dehadong makipag-compete sa mga negosyanteng galing sa ibang bansa na mas mababa ang corporate income tax rate.

Ang nais ko pong ihalimbawa dito, ang pagsasaayos ng ating tax incentives ay hindi naglalayon na magpahirap ng kahit sinumang negosyante, ngunit gusto po nating maging targeted; gusto nating maging transparent. Gusto po sana nating maibigay ang incentives sa mga negosyanteng dapat bigyan ng incentives iyong mga patuloy ang expansion, iyong mga patuloy ang puhunan. Hindi na po siguro nating kailangang tingnan kung ito ba ay isang napakalaking kumpanya o isang napakaliit na kumpanya dahil lahat naman po ay gusto nating bigyan ng kapasidad na makakuha ng incentives kung nararapat.

Ganumpaman, ang isang incentive na hindi nararapat ibigay sa isang negosyante, malaki man ito o maliit, kung hindi dapat mabigyan ng incentives ang natutukoy na investor o negosyante, huwag po sana natin ibigay ang incentives. Kaya nga po nilalagyan natin ng isang framework kung saan there will be a periodic review of incentives, there will be an evaluation of performance on these companies, and there will always be a reformulation of the investment priority plan of our government. In that way, magiging targeted po ang ating ekonomiya na palaguin ang mga industriyang maglilikha ng mas maraming trabaho para sa ating mga kababayan.

REP. BROSAS. Mme. Speaker, distinguished Sponsor, mag-sample po tayo para siguro mas maging malinaw. Halimbawa, sa ilalim ng TRAIN 2, matatanggal ba ang incentives ng SM?

REP. CUA. Siguro, Mme. Speaker, para masagot natin iyan, dapat maitala anong incentives ng SM na siya ang tinutukoy ng ating kasamahan, para malaman natin kung ito po ay matatanggal o hindi.

REP. BROSAS. Mme. Speaker, distinguished Sponsor, kung halimbawa naman sa maliliit na lokal na negosyo, gaya ng tumatahi ng bag sa Marikina, tumatamasa ba sila ng tax incentives sa kasalukuyang sistema?

REP. CUA. Mme. Speaker, again, kung hindi po magiging detalyado kung anong kumpanya ito, hindi ko matse-check. Ganumpaman, sa panibagong incentive scheme, kung ito ay hindi kasalukuyang tumatanggap ng incentives at ang kanyang industriya ay nasa Investment Priority Plan, sa susunod na rehimen, maaari po ito tumanggap ng incentives. So long as that industry is within our Strategic Investments Priority Plan.

REP. BROSAS. So, hindi po lahat. Ano iyong sinasabi ninyo na maliit, malaki na korporasyon, lahat ay puwedeng magtamasa ng incentives, et cetera. So, hindi po lahat. Nakasalalay pa rin ito kung makakatanggap ba ng incentives kung may sukatan. Ang sukatan ay direct employment, modern technology, sufficient investments. Tama po ba, Mme. Speaker?

REP. CUA. Iyong mga nabanggit po ninyo na direct employment, research and development, investment in infrastructure, are additional incentives, Mme. Speaker, na kung ang isang kumpanya ay tumatamasa—halimbawa po, to be specific, kung si company A ay nagrehistro for incentives, sa future proposed regime, ito po ay magkakaroon ng three to four years ng income tax holiday o ITH if it is within or outside the metro or urban area. Pagkatapos po matamasa itong three to four years na ITH, maaari po ito mag-enjoy ng mga nabanggit na additional deduction for direct employment, additional deduction for investment in research and development, additional deduction for infrastructure at iba pa.

Mme. Speaker, tulad po ng naipaliwanag natin, hindi ito specific only for large taxpayers o malalaking kumpanya. Malaki at maliit na negosyante ay pareparehong maaaring mag-avail ng incentives.

REP. BROSAS. Mme. Speaker, distinguished Sponsor, pinapasan na ngayon ng mga maliliit na mamamayan natin iyong dagdag na buwis sa petrolyo, kuryente at iba pang produkto sa ilalim ng TRAIN I. Tapos ngayon, binabawasan naman natin ang buwis sa mga korporasyon. Dapat nga taasan natin iyong mga top big corporations, hindi po ba? Kasi alam natin na lumulobo na iyong netong kita nila kahit sa ilalim pa ng 30 percent tax rate. Hindi naman sila umalis

ng bansa natin, nadadagdagan naman ang top 100 big corporations. Sa halip na papasanin sa balik at ng mamamayan ang pagpondo ng serbisyo at programa ng gobyerno, parang hindi po makatarungan na bibigyan pa natin ng dagdag na kita iyong mga malalaking korporasyon samantalang binubuwisan natin iyong mga mamamayan natin sa kasalukuyan sa ilalim ng TRAIN I, ng mga direct and indirect taxes.

REP. CUA. Maraming salamat sa tanong ng ating kagalang-galang na Congresswoman.

Mme. Speaker, nakikiisa tayo sa pagsimpatya sa ating mga kababayan. lalung-lalo na sa mga pinakamahihirap sa ating lipunan. Noong ipinasa ang TRAIN I, atin pong layunin na maging mas progressive ang ating tax system. Doon po sa unang pakete o first package, sinigurado natin na mas tatamaan ng incidence ng buwis ang mayayaman kaysa sa mahihirap. Kaya po noong ating pinag-aralan ang iba't ibang components nitong panukalang ito. Tinarget talaga ito para magkaroon ng mas maraming benepisyo ang mahihirap at ang tax incidence ay papasanin ng mas may kaya sa ating lipunan. Doon sa nakaraang batas, naglagay po tayo ng social mitigating measures na siyang maninigurado na ang taumbayan, lalung-lalo na po ang mga mahihirap, ay mapoproteksyunan sa pamamagitan ng serbisyo ng kanilang gobyerno. Sangayon po tayo sa ating kasamahan na nananawagan na kailangang proteksyunan ang mahihirap.

Ngunit sa tingin natin, Mme. Speaker, lalong kailangan ngayon ang isang panukala na magpaparami ng oportunidad para sa ating mga kababayan. Lalong kailangan ngayon ng isang panukala na mag-aakit ng mas maraming trabaho dito sa ating lipunan. Lalong kailangan ngayon na ituwid ang lumang tax structures ng ating lumang Tax Code nang sa ganoon, tayo ay makapag-compete o makilahok sa pangdaigdigang merkado, Mme. Speaker. Dahil sa tingin po natin, higit sa lahat, kailangan ngayon ng Pilipino ang mas maraming trabaho.

REP. BROSAS. Mme. Speaker, distinguished Sponsor, the Bill itself admits that there will be potential job cut upon its implementation with the provision on Structural Adjustment Fund, found in Section 312, amounting to P500 million for targeted cash grants to displaced workers, and another P500 million for trainings of displaced workers.

Sa sinasabi ninyo po kanina, mas lalong kailangan natin ngayon ng trabaho, pero parang bakit po mayroon tayong ganitong panukala na nagsasabi sa atin na may mga matatanggal sa trabaho? Ilang mga displaced workers ang inaasahang maseserbisyuhan, partikular, ng pondo na ito, at ano ang mga guidelines ng disbursement ng pondong ito? Paano matitiyak na hindi ito pondo para sa malawakang tanggalan ng trabaho sa kabila ng

patinding kontraktwalisasyon saka sa klase ng sistema ng paggawa na pinaiiral sa bansa, sa pangunguna ng mga malalaking korporasyon?

Halimbawa po, sa ahensya, mayroon tayong DO No. 174 di ba, na lalong sinasabi ng mga manggagawa natin na lalong nagpapahirap para sa kanila dahil, in effect, hindi naman sila nare-regular. Natatanggal pa nga sila sa trabaho, noong mga nakaraan, at mayroon pang EO No. 51 na ipinalabas ang Pangulo, na ang naging resulta rin ay malawakang layoff o tanggala ng trabaho.

REP. CUA. Salamat po sa inyong tanong.

Mme. Speaker, tayo po ay naniniwala na ang impact nitong ating panukala ay ang paglikha ng mas maraming trabaho at hindi ang pagkawala ng trabaho. Ngunit po, bilang isang safety net, ang naging desisyon ng ating Committee ay maglagay ng isang structural fund para nang sa ganoon, anuman ang mangyari o harapin ng mga manggagawang Pilipino ay nakahanda po ang gobyerno.

In short, Mme. Speaker, may kasabihan sa Ingles that “luck favors those who are prepared” at itong probisyon na ito is a preparatory measure in the event na tayo ay mangangailangan ng isang contingent fund.

Ganunpaman, Mme. Speaker, tayo ay handang makipag-ugnayan sa lahat ng stakeholders, sa ating kasamahan na siyang nagtatanong sa atin ngayon, kung mayroon pang mga paraan na isasaayos at pagagandahin pa iyong ating panukala upang sa ganoon, lalong mabawasan ang mga posibilidad na siyang pagkawala ng trabaho. Pero, Mme. Speaker, for the record, tayo ay naniniwala na ang panukalang ito ay hindi magreresulta sa kawalan ng trabaho, kundi po sa paglago ng mga oportunidad dito sa ating bayan.

REP. BROSAS. Mme. Speaker, Mr. Sponsor, mayroon na po ba kayong kuwenta ng mga maaapektuhan at iba pang mga necessary details kaugnay dito sa job losses na inaasahan natin, at sinasabi natin na pagbabawas ng tao o gastos o rationalization?

REP. CUA. Mme. Speaker, iyan po ay isang katanungan na mahirap pong matugunan dahil po hindi natin alam ang magiging desisyon ng mga investor o ng mga negosyante ukol sa kanilang mga investment o expansion dito sa ating bansa. Kaya po kung tayo ay naghahanap ng datos kung ilang trabaho ang mawawala o malilikha, iyan po ay isang panghuhula na hindi naman po siguro kailangang hulaan ngayon dito sa plenaryo. Ang atin lang inilalabas dito ay ang konsepto ng pagpapalago ng investments dito sa bansa sa pamamagitan ng—sa paglilikha ng mas magandang environment para sa kanilang mga investment.

REP. BROSAS. Mr. Sponsor, Mme. Speaker, inilagay po ninyo sa panukala na safety net ito, so

inaasahan ninyo. In fact, kaya kayo nag-a-appropriate sa TRAIN 2 ng pondo ay dahil mayroon nga kayong inaasahan na huge likelihood of layoffs and loss of livelihood of Filipino workers under the measure. Ngayon, wala po kayong maibigay na detalye kaugnay doon. Iyon iyong sinasabi ninyo, at alam na alam po natin na iyong mga korporasyon ay nakakatakas sa pamamagitan ng flexibilization of labor at elimination of labor regulations, di ba? Paano po natin mae-ensure na hindi mangyayari ito sa mga manggagawa?

REP. CUA. Ito pong panukala natin ngayon, Mme. Speaker, tulad po ng nabanggit kanina, ay mayroong incentives na additional 50 percent deduction on direct labor employment. Ang ibig sabihin po nito, ang kumpanya na namumuhunan ng P1 bilang pasweldo sa kanilang manggagawa o sabihin na natin ang kumpanyang namumuhunan ng P1 milyong pasweldo para sa kaniyang manggagawa ay maaaring magbawas sa kaniyang taxable income ng halagang mas malaki. Hindi po P1 million ang ibabawas niya kundi P1.5 million. Iyon po ang dahilan. Ang dahilan po niyan ay ginagawa natin ito upang ma-incentivize ang ating mga negosyante na palaguin din ang payment structure ng kanilang mga empleyado. Huwag sanang tipirin ang manggagawang Pilipino at bigyan ng mas magandang kinabukasan ang ating mga mamamayan.

So, kaya po natin ginagawa iyan, iyan ang mga behavior na gusto nating i-encourage that investments will come, that are labor intensive that can provide better jobs for our people.

REP. BROSAS. Sa kasalukuyan pong nangyayari, Mr. Sponsor, Mme. Speaker, ang kaganapan po ay lumolobo iyong bilang ng ating mga unemployed workers. Paano po tayo nakakatiyak na itong sinasabi ninyong TRAIN 2 ay magreresulta dito samantalang mayroon nga po kayong isyu at inaamin ninyo na may job losses na magaganap sa inyong panukala? So, parang—paano po mae-ensure na magdadagdag o lilikha talaga ng trabaho itong TRAIN 2 o itong sinasabi ninyong TRABAHO Bill?

REP. CUA. Well, una po, hindi natin tinatanggap na sumasang-ayon na tayo; ang panukalang ito ay magreresulta sa kawalan ng trabaho. Ang inaamin po natin ay ang pagkawala ng trabaho ay nangyayari. Kahit po ngayon, sa kasalukuyan na wala itong panukalang ito, o sa current tax structure natin, marami pong job losses na nangyayari, for one reason or the other. Kaya nga po ang sinabi natin kanina, “luck favors those that are prepared.” Kaya po anuman ang mangyari, anuman ang dahilan sa pagkawala ng trabaho, ang batas na ito ay sasalo sa mga taong mawawalan ng trabaho, whether or not it is because of this Bill or many other possible factors, Mme. Speaker.

Ganunpaman, ang kasagutan po siguro sa ating kasamahan ay simple lamang. Kapag ang negosyante ay naghanap ng isang lugar kung saan siya ay mag-i-invest, hinahanap o inaaral po niya ang mga iba't ibang sitwasyon at kondisyon ng kanilang ekonomiya. Tama po iyong binanggit ng ating kasamahan na tinitingnan diyan iyong korapsyon. Tinitingnan po diyan ang availability or estado ng mga imprastraktura na available. Tinitingnan po diyan ang presyo ng kuryente. Tinitingnan din po diyan ang halaga o presyo ng labor, at pinag-aaralan lahat iyan ng isang negosyante bago mag-invest.

Kaya po dito sa panukala, gusto nating siguraduhin na by providing a better environment for investments, ang isang investor ay titingin sa Pilipinas at makikita niya na transparent ang ating tax system, mababa or pababa ang ating corporate income tax, malago ang ating population, at paangat ang ating ekonomiya.

Kaya po sa tingin ko, kung ako ay isang investor at babasahin ko ang mga conditions, seryoso kong pag-iisipan ang pagpupuhunan o pagpupundar sa Pilipinas.

REP. BROSAS. Alam ninyo po, nakakatakot po iyong sinasabi ninyo eh. Sa halip na bumuhay ng mga industriya na mag-aambag sa job generation, alam po natin na iyong pinakaproblema natin ngayon ay wala tayong mga malalaking industriya, hindi ba? Tapos hindi naman natin sinusupportahan iyong agrikultura na mayroon tayo. In fact, iyong krisis nga natin sa bigas na sinasabi kanina ay ibinubunsod na kung gaano pinabayaan ng estado ng gobyerno ng mga nakaraan iyong pagtatayo talaga at pagsusuporta o pagsubsidy sa mga agrikultura. Therefore, sa pagki-create ng mga industriya mula dito para maging self-sufficient iyong ating gobyerno o iyong ating bayan, at ang makikinabang ay ang mga maliliit nating mga mamamayan—pero kapag ganito po na mukhang susupportahan pa natin iyong mga korporasyon sa panahon ng tanggalan ng trabaho dahil inilagay ninyo po—halimbawa, nitong January 2018, ang reported net profit ng Del Monte Pacific Limited ay P173 billion, may 67 percent na shares at pagmamay-ari ng NutriAsia, hindi ba—Incorporated—matindi po iyong labor related issues sa kanila na nangyari dahil marami pong mga manggagawa ang—anong tawag doon, hinaras, binugbog at ikinulong, sinampahan ng kaso, ginawan ng gawa-gawang kaso? Silang mga natanggalan ng trabaho, maglalaan ka pa ngayon ng pondo para doon sa mga korporasyon na ito. So, imbes po na napupunta talaga sa kailangan nating pagbabago sa agrikultura, sa industriya na siyang magtitiyak ng self-sufficiency natin, baka naman—parang itong TRAIN 2 ay napakagandang regalo at napakasobra-sobrang insentibo at napaka—hindi na nga—actually, hindi naman hinihiling ng mga investors pero ibinibigay

natin nang bukal na bukal sa atin. Bakit ganoon, ano po? Samantalang iyong mga manggagawa natin na naghihirap ngayon, ni wala nga silang insentibong natatanggap. Hirap na hirap nga sila at totoo po iyon eh. Sinasabi ninyong hindi naman tayo nagkakaiba doon sa kagustuhan na magkaroon ng job generation dito sa Pilipinas. Pero anong klaseng job generation ang mayroon tayo kung ang mga korporasyon ang pinapaboran natin at binibigyan pa natin ng napakalaking mga insentibo? At pare-pareho na, para bagang wala silang ipinagkaiba doon sa mga maliliit na firms o sa mga nagsisikap na mga firms, samantalang iyong dapat din iyong mga pinapaunlad natin. So, Mr. Sponsor, sa ganang ito, parang sa mga sinabi ninyo po, hindi ako makapaniwala na gagawin natin itong Tax Reform, TRAIN 2 o iyong tinatawag nating TRABAHO Bill, kung magreresulta ito sa higit pang pagkawala ng trabaho ng mga manggagawa natin. Ang next point ko po ay tungkol naman sa mga ibinibigay na powers para sa Presidente sa implementation ng TRAIN 2, pero baka may gustong sabihin sa ano...

REP. CUA. Sige po, Mme. Speaker, if I may make a rejoinder, ako ay natutuwa na hindi kami nagkatalayo ng ating kasamahan kapag patungkol sa layunin na paglilikha ng mas maraming trabaho. Nais ko lang po sigurong punahin, Mme. Speaker, na sa kasalukuyan po milyun-milyong Pilipino ang lumalabas ng ating bansa para maghanap ng trabaho. Maraming lumalabas para mag-domestic helper. Maraming lumalabas para maging seaman. Hindi lamang po iyon, unti-unti na po nating nakikita na ang ating mga doktor, inhinyero o arkitekto ay napupunta sa Singapore, Hong Kong, Amerika at iba't ibang bansa. Hindi na lang po white collar jobs ang lumalabas kundi po pati blue collar ay lumalabas na rin po. Ito po ay isang senyales na may kakulangan ang ating ekonomiya sa paglikha ng mas maraming trabaho. Ang tanong po ngayon sa ating mga economic managers: Ano po ang gagawin nila dahil milyun-milyong Pilipino, pamilyang Pilipino, ang nahihwalay dahil sa kakulangan ng trabaho dito sa ating bansa?

I think, Mme. Speaker, it is obvious that the current system is not working or even if it were working, it is not working good enough and it is incumbent upon our leaders, our President, who has initiated this Bill, our economic managers and the leaders of this august Chamber, to do something about the situation and find solution so that our people can find better opportunities in our country.

Again, Mme. Speaker, ako ay natutuwa na hindi kami nagkatalayo ng layunin. At, kung sa pamamaraan, ang ating puwedeng pag-igihan upang ma-achieve ang ating layunin, handa po tayong tanggapin ang mga proposals ng ating kasamahan upang maging mas matibay na panukala ang ating tinatalakay.

REP. BROSAS. Mme. Speaker, Mr. Sponsor, sa last point ko na lang po doon sa ano, although nagkakapareho po tayo, iyong pamamaraan po, hindi po ako nag-a-agree doon sa TRAIN 2, na mga korporasyon at malalaking korporasyon ang siyang higit na makikinabang dito. Sa tingin po ng Representasyong ito, mali po iyon at tagibang po iyon, na dapat ang tutukan natin at ang focus natin ay iyong mga maliliit at mga nangangailangan talaga. In fact, ang gusto ko nga po, itaas pa ng 35 percent o mas mataas pa nga iyong sa mga malalaking korporasyon. Kung magkakaroon po tayo ng ganoong panukala, mas magiging bentahe po iyon, sa tingin ng Representasyong ito, para sa mga MSMEs natin at mga maliliit nating firms, maliliit nating mga micro and small enterprises.

Ang next question ko po ay kaugnay doon sa powers of the President on the implementation of TRAIN 2. Iyong Section 27 po ninyo, "Rates of Income Tax on Domestic Corporations," at saka iyong:

Sec. 296. Projects located in less developed areas or those recovering from armed conflict or a major disaster x x x;

Sec. 301. Power of the President to grant incentives x x x;

Sec. 301-B. Use of Resources. – In the exercise of the power of the President to grant incentives, the government may utilize its resources such as land use, water appropriation, power provision, among others, as may be identified by the BOI.

Dito po lumalabas ang malaking power ng Presidente:

Sec. 301. Power of the President to Grant Incentives. – The President may, in the interest of national economic development and upon the recommendation of the Board of Investments and the economic managers, grant incentives in addition to those that are provided under this Code, including a longer period, to highly desirable projects: PROVIDED, that the benefits that the government may derive from such investment thereto is clear and convincing and far outweigh the cost of incentives that will be granted.

So, mabibigyan po ng malaking kapangyarihan ang Presidente. Ibig sabihin, nakapangangamba po na ito ay maging probisyon ng pagpo-promote ng patronage for politics, corruption at vulnerability sa mga under-the-table na usapin.

Binibigyan ba natin ng dagdag at lawak na kapangyarihan sa pagbibigay ng incentives sa mga corporations ang Presidente? Ano pong ibig sabihin

nito? Sa larangan ng electoral politics sa bansa, alam natin na marami sa mga korporasyong ito ang sponsors ng mga malalaking opisyal ng gobyerno. Kung hindi man tagapondo, ang iba naman ay shareholder o kamag-anak ng mga politiko ang mga nasa korporasyon.

Granting additional powers to the President to grant additional incentives can cause conflict of interest. Ano po ang pamamaraan for checks and balances sa ganitong kapangyarihan? Ano pa at tayo ay legislative Body kung pati pala taxation ay nasa kamay na ng Pangulo natin?

REP. CUA. Mme. Speaker, napakagandang tanong at napakagandang palaisipan ang kaniyang tanong, Mme. Speaker, ngunit sa ating pagbasa nito, ang power of the President to grant incentives ay ibinibigay ng batas na ito only on very special circumstances. Kailangan, for example, na mayroon siyang minimum investment ng kalahating bilyong dolyar. Ibig sabihin ay dapat makapaglikha ng hindi kukulang sa 1,500 trabaho for three years at least itong investment na ito.

Mme. Speaker, siguro, dapat lang nating realize na hindi tayo solo bilang investment destination sa ating rehiyon. Madalas po nating mabalitaan na ang Vietnam ay naakit nila ang investment ng Samsung kung saan 20-year income tax holiday ang kanilang ibinigay at kung saan, milyun-milyong trabaho din naman ang nalikha doon sa kanilang bansa. Ito lang pong probisyon na ito ay nagbibigay ng pagkakataon sa ating Pangulo kung sakaling may oportunidad na makaakit o makapag-imbata siya ng isang foreign direct investor na talagang magiging malaki ang impact na positibo sa ating ekonomiya. Gayunpaman, kung mayroong pangamba ang ating Kasamahan sa larangan na maaaring maabuso itong probisyong ito, handa naman po tayong pakinggan ang mga proposal kung paanong magiging mas mahigpit ang patakaran na ito at kung paano mababawasan ang posibilidad na maabuso ito.

REP. BROSAS. Mr. Sponsor, Mme. Speaker, this will violate the principle of non-delegability of legislative powers, including taxation. The only exception that is valid is when it passes through tests: the completeness test and the sufficient standard test. To quote:

The first test requires the law be complete in all its terms and conditions, such that the only thing the delegatee will have to do is to enforce it. The sufficient standard test requires adequate guidelines or limitations in the law that map out the boundaries of the delegatee's authority and canalize the delegation.

The power to tax is legislative. The power to grant tax exemptions is also legislative and may be delegated only upon strict compliance with the two tests. So, ang paniwala po ng Representasyong ito ay hindi dapat natin na-delegate at hindi lalo natin dapat naibigay iyong ganoong power sa ating Pangulo.

Now, nais ko po sanang banggitin din na kung mayroon man tayong dapat na ultimate objective para sa tax reform, mas maganda po sanang tanggalin natin sa mga malalaking korporasyon at mga foreign corporations ang mga incentives, perks at subsidiyo na tinatamasa na nila, bagkus, dapat magbigay tayo ng mas maraming suporta at insentibo sa domestic agriculture industries para lumikha ng self-reliant, nagsasarili, at industriyal na ekonomiya.

Iyon po ang tingin kong pinaka-objective dapat natin kung tayo ay magta-tax reform. Kaya po kahit sa TRAIN 1 na sinasabi na mga indirect taxes na nahihirapan ang kalakhan o unfair sa kalakhan ng mga mahihirap, dahil silang mga walang-wala na ang nata-tax-an. Tapos itong TRAIN 2 ay magresulta sa perks, subsidiyo at mga incentives para sa mga malalaking korporasyon, unfair po iyon. Hindi po makatarungan na dapat ganoon ang ating direksyon. Naniniwala din po ako na dapat magkaroon ng stable economic growth rate. Pero sa ganito pong ganang mga panukala na ipinapasá natin, sa tingin ko po, hindi po ito ang lilikha din ng mga trabaho. Hindi rin po ito ang magre-reduce ng poverty sa lahat ng mga rehiyon ng ating bansa. Baka mas lalo pa nga pong mahirapan tayo.

Ngayon, naniniwala din po ako na dapat—last na lang, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). I would like to remind the interpellator that it has been one hour, so maybe she could wrap up.

REP. BROSAS. Last na lang po.

THE DEPUTY SPEAKER (Rep. Cayetano). Thank you.

REP. BROSAS. Yes, wrap-up na lang po.

Naniniwala po ako na dapat pine-place natin ang people's rights to sovereignty at the heart of development. We should respect and protect iyong ating democracy, transparency and accountability sa ating bayan.

Iyon po iyong nais kong sabihin bilang panghuli dito sa interpelasyon ng TRAIN 2 o ng TRABAHO Bill na sinasabi na sa tingin namin ay mas lalo lamang magtatanggal ng trabaho o Tanggal-Trabaho Bill.

Maraming salamat, Mme. Speaker. Maraming salamat, Mr. Sponsor.

REP. CUA. Salamat po.

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

REP. SALO. Mme. Speaker, before I recognize the next interpellator, may I respectfully move that we acknowledge the presence of the guests of Cong. Aurora Enerio Cerilles from Zamboanga del Sur. These are the following who are in the gallery: Kumalarang Municipal Mayor Eugenio Salva Jr., Barangay Chairman Onan T. Dacula, SK Federation President Lorenzo C. Gomomit, WEM-RIC Federation President Sarah D. Salva, Beatriz H. Toledo, Danilo A. Toledo, Ruel M. Fuerzas, Janeth B. Dolor, Juanita A. Vasquez and Osias B. Andus. *(Applause)*

THE DEPUTY SPEAKER (Rep. Cayetano). Our guests are welcome to the House of Representatives. *(Applause)* Thank you.

REP. SALO. With that, Mme. Speaker, I respectfully move that we recognize Rep. Rodel M. Batocabe of the AKO BICOL Party-List to interpellate the author or the Sponsor.

THE DEPUTY SPEAKER (Rep. Cayetano). Representative Batocabe is hereby recognized. You may proceed.

REP. BATOCABE. Thank you, Mme. Speaker.

This is more of a manifestation than an interpellation.

As one of the authors of this landmark measure, may I just put on record that this august Chamber should immediately pass this TRABAHO Bill.

Bakit po TRABAHO? Kasi po, iyan po ang tunay na magbibigay ng trabaho.

Marami pong korporasyon, matagal na po silang inaalaan, inaaruga at pinagyayaman po ng pera ng gobyerno. Matagal na po silang kumukuha ng pera ng pamahalaan. Matagal na po silang tumatamasa ng mga subsidiyo. At ano po ang sinasabi nila? Dahil nananakot po sila, "Alisin ninyo iyang subsidiyo ninyo, alisin iyong insentibo, kami ay lalayas, magsasara kami at mawawalan ng trabaho ang lahat ng Pilipino." And for so many years, we have been threatened, we have been afraid to withhold these subsidies. Lagi po nating binibigyan ng insentibo. Lagi po nating sinasabihan, "Okay lang, ayos lang, kayo lang." Unfortunately, we babied them too much, so much so that they never grew up. Lagi pong nakadepende sa gobyerno. The records will bear me out.

Alam po ninyo, noong 2015, magkano po ang ibinayad natin o ginastos po ng gobyerno, ang nawala sa gobyerno na pera? P301 billion—P301 billion ang ibinigay natin sa mga malalaking korporasyon na hindi naman kailangang magkaroon ng insentibo. Ang sinasabi lang nila, "Kapag hindi ninyo kami bibigyan,

lalayas kami, mawawalan ng trabaho, magugutom lahat ng Pilipino.” P301 billion—pero magkano po ang ibinigay natin sa ordinaryong Juan Dela Cruz? Magkano po iyong sa ordinary salary wage worker na binigyan ng tulong ng pamahalaan pagdating po sa tax incentives? The records will say we only gave P141 billion. Wala nang kalahati.

Ngayon, sasabihin ninyo, kakampi pa kayo dito sa mga malalaking korporasyon na binibigyan natin ng P300 billion kumpara sa isang ordinaryong Juan Dela Cruz na nakasakay sa jeep at ang ibinigay lang natin is P140 billion. Let us put a stop to these threats. Let us put a stop to this fear that our economy will be adversely affected, that we will lose a lot of jobs, and then we will not attract anymore foreign investments. Siguro tama na, sobra na, pinalaki na natin sila. It is about time that we have the political will to rationalize our incentives before it becomes so crazy.

So, in view of that, Mme. Speaker, I respectfully urge this august Body to again think carefully, to have the necessary political will to pass this measure. We need this badly. We need this so much not because we want this corporation, but we need this badly because we want to protect the ordinary Filipino worker. I think—let us put that in the proper perspective. Iyan po ang perspektibo ng Trabaho Bill. Hindi po iyan para sa mga malalaking korporasyon; iyan po ay para sa ordinaryong Pilipino. Tama na po ang pagbibigay ng pamahalaan ng magandang pangangalaga, sobra-sobra na, ini-spoil na. Panahon naman po na ang ordinaryong Pilipino ang ma-spoil.

Maraming-maraming salamat po, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). Thank you, Representative Batocabe.

The Majority Leader is recognized.

REP. SALO. Mme. Speaker, may I move that we recognize the honorable Minority Leader Danilo Suarez for some administrative matters.

THE DEPUTY SPEAKER (Rep. Cayetano). The Minority Leader is recognized.

RECOGNITION OF NEW MEMBERS OF THE MINORITY BLOC

REP. SUAREZ. Thank you, Mme. Speaker.

I respectfully submit the names of new and additional Minority members as of September 3, namely: Hon. Jonas C. Cortes, Hon. Peter John D. Calderon, Hon. Wilfredo S. Caminero, Hon. Gerald Anthony “Samsam” V. Gullas Jr., Hon. Gil “Kabarangay” P. Acosta, Hon. Benjamin C. Agarao Jr., Hon. Henry C. Ong, and Honorable Arnolfo “Arnie” A. Teves Jr..

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). The manifestation of the Minority Leader is noted.

Thank you.

CONSIDERATION OF H.B. NO. 8083

Continuation

PERIOD OF SPONSORSHIP AND DEBATE

REP. SALO. Mme. Speaker, I respectfully move that we resume the consideration of House Bill No. 8083 under Committee Report No. 818.

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

REP. SALO. Mme. Speaker, I respectfully move that we refer to the Committee on Rules the speech or manifestation of Congressman Batocabe.

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

REP. SALO. Mme. Speaker, I respectfully move that we recognize Cong. Edcel C. Lagman of the First District of Albay for his interpellation.

THE DEPUTY SPEAKER (Rep. Cayetano). Representative Lagman is hereby recognized. Please proceed.

REP. LAGMAN. Thank you, Mme. Speaker. Will the distinguished Sponsor yield to a few questions?

REP. CUA. We are ready for questions, Mme. Speaker.

REP. LAGMAN. It is claimed that the reduction of the corporate income tax rate is to discourage tax evasion and encourage voluntary payment of tax liabilities by the concerned corporations. May we know, distinguished Sponsor, the current rate of corporate tax evasion?

At this juncture, Deputy Speaker Cayetano relinquished the Chair to Deputy Speaker Sharon S. Garin.

REP. CUA. We are gathering the data, Mme. Speaker.

Mme. Speaker, distinguished colleague, the value of the estimated tax evasion rate is very difficult to collect. However, we have estimated by calculating the tax gap, which is at P184 billion.

REP. LAGMAN. Incidentally, Mme. Speaker, I hope that the three-and-a-half minutes which transpired while the distinguished Sponsor was looking for the data will not be deducted from my one hour.

THE DEPUTY SPEAKER (Rep. Garin, S.). Very well taken, Congressman Lagman. It will not be deducted from your time.

REP. LAGMAN. May I get again the figure.

REP. CUA. The tax gap, which is the potential revenue less actual revenue from corporate income tax, is at P184 billion.

REP. LAGMAN. Hundred eighty four—how was this figure arrived at?

REP. CUA. We have the amount of the potential revenue of corporate income tax less the actual revenue from corporate income tax, which gave us the tax gap. Potential is based on a GDP estimate and the actual is based on the data from the Bureau of Internal Revenue.

REP. LAGMAN. And from this tax gap, can we not compute the rate of tax evasion by corporations?

REP. CUA. Well, Your Honor, it is because, with the definition of tax evasion, it is very difficult to adjudge whether it was actually a product of evasion or not, kaya po napakahirap i-quantify iyong tax evasion.

REP. LAGMAN. Tax evasion is not non-tax payment? Is that correct?

REP. CUA. Yes, Mme. Speaker.

REP. LAGMAN. And do you have any data on corporations not actually paying taxes?

REP. CUA. Mme. Speaker, we have the data that the corporation did not pay as against what it should have paid. That is the tax gap, Mme. Speaker.

REP. LAGMAN. That is tax evasion. They still pay but they are not paying what is their due. My question is, corporations which did not actually pay any corporate income tax, is there any data on that?

REP. CUA. Your Honor, we have data on corporations that did not pay income taxes due to coverage under incentives and the figure of that amount is at P86 billion. It is granted that they are not evasions, because they are covered by the incentives.

REP. LAGMAN. Well, that is not what I am asking

for because, well, they did not pay because they are covered by incentives. But what ...

REP. CUA. The other data you are requesting, Your Honor, is not available.

REP. LAGMAN. Not available, okay. And, can we disaggregate this P184 billion between local corporations and foreign corporations or multinationals?

REP. CUA. No. The BIR has no ability to distinguish between those parameters, Your Honor.

REP. LAGMAN. Why is that so?

REP. CUA. Yes, because, Your Honor, the estimate is based on the GDP which covers both.

REP. LAGMAN. Yes, but I hope they can start making the data on what corporations are not paying, their exact tax liability as between local corporations and foreign corporations or multinationals, because that is a very important data for purposes of policy legislation.

REP. CUA. We will make the necessary recommendations, Your Honor.

REP. LAGMAN. Now this Bill is supposed to be a reduction of the corporate income tax as well as rationalization of tax incentives. Is that correct?

REP. CUA. Yes, Your Honor.

REP. LAGMAN. Of course, the rationalization of tax incentives is not reflected in the title of the Bill.

REP. CUA. Of course, Your Honor.

REP. LAGMAN. It is not. Now, is there any particular provision in House Bill No. 8083 which mandates specifically the so-called rationalization of tax incentives?

REP. CUA. There is none, Your Honor.

REP. LAGMAN. There is none. Why is this so?

REP. CUA. Your Honor, the Bill is crafted in a manner that it amends the existing National Internal Revenue Code.

REP. LAGMAN. Well, it does not matter because an amendment can be introduced to effect changes in the existing law or to make new provisions. There

should have been a provision which mandated the rationalization of tax incentives because this is covered by the measure, but there is none, and I agree with the distinguished Sponsor that there is no specific provision to that effect.

How much additional revenues are collectible when we rationalize tax incentives?

REP. CUA. Well, the current tax expenditure is at P301 billion, Your Honor, and therefore, that is the potential collectible if all is rationalized.

REP. LAGMAN. Under this Bill rationalizing the tax incentives, there should be an estimate from the part of the Sponsors or the Department of Finance. How much would be collected, additional collection of revenues if there is a rationalization of tax incentives, because this is supposed to be a revenue measure? Can we get that figure?

REP. CUA. Your Honor, the target if it may suffice to answer your question, Your Honor, is to collect around P130 billion or half of the P300 billion—less than half of the P301 billion. Again, this measure although it is related to revenue issues is not mainly a revenue-generating measure geared toward additional revenues, Your Honor.

REP. LAGMAN. Okay. So, let us grant that with the rationalization of tax incentives, the government has the potential of collecting P130 billion more. Let me know how will this P130 billion be generated?

REP. CUA. Well, I believe, Your Honor, that will be a product of collection from corporate taxpayers that currently enjoy incentives, but upon a certain point in time, the sunset of their incentives will engage and, therefore, begin to pay the regular corporate income tax rates, and, therefore, the gap between that amount and the current payments of those corporate taxpayers is the source of the P130 billion.

REP. LAGMAN. Now, Mme. Speaker, let me ask the distinguished Sponsor, currently, how much is the value of tax incentives given to corporations which do not accrue as revenue to the government?

REP. CUA. The data as of 2015 was P301 billion.

REP. LAGMAN. Magkano?

REP. CUA. Three hundred one.

REP. LAGMAN. Three hundred one.

REP. CUA. Twenty-fifteen po.

REP. LAGMAN. In other words, what the distinguished Sponsor is saying is when you rationalized tax incentives, the net result is accrual of taxes.

REP. CUA. Yes.

REP. LAGMAN. Is that correct?

Just to be clear. Presently, P310 billion is “lost” by government in revenues because of the tax incentives ...

REP. CUA. Yes, Your Honor.

REP. LAGMAN. ... but with the rationalization of tax incentives, the government can collect P130 billion. Is that correct?

REP. CUA. Yes, at a certain point in time.

REP. LAGMAN. Okay. May we know, distinguished Sponsor, what are the types of fiscal or tax incentives granted to corporations?

REP. CUA. Your Honor, are you referring to the current scheme today or ...

REP. LAGMAN. Current

REP. CUA. ... on the proposed?

REP. LAGMAN. The current.

REP. CUA. Currently, ...

REP. LAGMAN. Presently.

REP. CUA. Currently, we have the provision of income tax holidays. We have offerings of the 5 percent special rate on gross income earned. We have the VAT exemption and customs duties exemptions. We also have exemption on certain occasions from local taxes. This is the most common menu of tax incentives being offered today.

REP. LAGMAN. Okay.

Now, with respect to income tax holidays, are these granted both to domestic and foreign corporations?

REP. CUA. Yes, Your Honor.

REP. LAGMAN. Okay.

Do you have any figure on how many foreign corporations are presently enjoying income tax holiday?

REP. CUA. We are trying to determine, Your Honor, if there is a distinction between foreign and domestic. We will gather the data.

REP. LAGMAN. Or can we say multinationals versus domestic corporations?

REP. CUA. Your Honor, according to the data from the DOF or TIMTA, 92 percent is local and domestic firms, and 8.3 percent are branches of foreign firms.

REP. LAGMAN. Ninety-two.

REP. CUA. We can give you the table, Your Honor.

REP. LAGMAN. Ninety-two percent local and 8.3 percent foreign. That would exceed 100 percent.

REP. CUA. Sorry, that is 91.7 percent local and 8.3 foreign.

REP. LAGMAN. Foreign. In other words ...

REP. CUA. But, Your Honor, may I just clarify that the data percentage given is the distribution of income tax incentives in values, in peso terms. So, 91.7 percent of foregone taxes go to local and domestic, and 8.3 of foregone taxes go to foreign firms.

REP. LAGMAN. Okay.

The domestic corporations actually can be foreign corporations incorporated in the Philippines.

REP. CUA. Yes, that is very possible and likely.

REP. LAGMAN. And how much does the present income tax holiday granted to corporation amount to?

REP. CUA. The total income tax incentives in millions of pesos is P86 billion. So, cancel in millions of pesos, the total amount is P86 billion.

REP. LAGMAN. And this is exclusively for those availing of income tax holiday.

REP. CUA. Well, this data, Your Honor, combines ITH and also the 5 percent GIE.

REP. LAGMAN. No, let us disaggregate that. How much would the income tax holiday translate to, and how much would the 5 percent special rate on gross income amount to?

REP. CUA. In 2015, Your Honor, the ITH amounted to P53.7 billion, and the special income tax rate amounted to P32.4 billion, for a total of P86 billion.

REP. LAGMAN. Now, with respect to exemption from customs duties, how much does this translate to?

REP. CUA. In 2015, Your Honor, it was P18 billion.

REP. LAGMAN. How about exemption from local taxes?

REP. CUA. The DOF has no data on this, Your Honor.

REP. LAGMAN. And what are these local taxes in the first place?

REP. CUA. Commonly, those are the local business tax and the real property tax.

REP. LAGMAN. I am just trying to figure out, distinguished Sponsor, the P301 billion not collected because of tax incentives, and so far, the figures given to me, would not amount, I think, to P301 billion. Can we get a more accurate listing, totaling to P301 billion?

REP. CUA. Your Honor, to add to the items mentioned earlier, we have the import VAT which grosses at about P159.8 billion and the local VAT which is at about P37 billion. So, the total of all of them, the four items excluding local business tax and possible leakage is about P301 billion.

REP. LAGMAN. Can we be favored with a copy of that report?

REP. CUA. Yes, Your Honor.

REP. LAGMAN. Distinguished Sponsor, presently, what are the qualified activities for tax incentives? I am not interested yet on the proposed measure—the current activities.

REP. CUA. Your Honor, currently, there are different investment promoting agencies that grant different incentives, so I believe there is the Investment Priority Plan which contains all the criteria for the Board of Investments or the BOI. Again, the PEZA, has its own menu and packages of tax incentives, and then, there are the economic zones like Subic, Bataan, Aurora, Cagayan, Zamboanga and many others that also offer different kinds of incentives which is why the objective is to rationalize under a common menu for the investment promoting agencies.

REP. LAGMAN. But it would be better, I think, distinguished Sponsor, if we are given the menu of all of these present varied qualified activities for tax incentives rather than make a general answer.

REP. CUA. Yes, we will ask for the specific listing that is offered by all the different IPA's, Your Honor.

REP. LAGMAN. And when soonest can we get that listing?

REP. CUA. Your Honor, we have a table that was generated by our staff and we can give you a copy of the different agencies and the different menus that they offer for investors.

At this juncture, Deputy Speaker Garin (S.) relinquished the Chair to Deputy Speaker Pia S. Cayetano.

REP. LAGMAN. Thank you, distinguished Sponsor. May we know why, in the first place, were tax incentives provided for?

REP. CUA. Your Honor, I believe, they were legislated by this august Chamber with the intention of attracting investments into specific and also general destinations or jurisdictions in this country.

REP. LAGMAN. Well, I agree with the distinguished Sponsor that the principal purpose of granting tax incentives would be to attract investors and also to be competitive with other countries. Is that correct?

REP. CUA. I believe, it is, Your Honor.

REP. LAGMAN. Now, is there any data in the possession of the sponsoring Committee which would tell us how many foreign investors had been attracted because of the availment of tax incentives?

REP. CUA. Okay, Your Honor, we have a table here from the DOF which has the annual net foreign direct investments in the Philippines. I would like to read to you the latest data we have in 2016, at US \$8 billion.

REP. LAGMAN. Well, is that solely the result of tax incentives being granted to foreign investors, or they would constitute varied reasons for coming in?

REP. CUA. Varied reasons, Your Honor.

REP. LAGMAN. Now, my question is, if there is any data in the possession of the Department of Finance or the sponsoring Committee, how many corporations, foreign corporations, came in as investors because of the tax incentives we have offered?

REP. CUA. Well, Your Honor, if we are looking for data that will pinpoint that the reason of the foreign investment to arrive in our country was because of the incentive that is close to impossible to gather because that only depends on the decision-making skill of the investor.

REP. LAGMAN. Yes. But why in the first place did we grant these tax incentives if we are not sure that they would be coming in principally because of the tax incentives?

REP. CUA. Well, Your Honor, we believe it is a major factor as espoused, as articulated by most investors, that they are really looking to offset some of the economic costs of doing business in the Philippines by way of tax incentives. And therefore, I think—I believe those were the reasons why many or a number of our legislation were geared towards the granting of incentives.

REP. LAGMAN. Okay. Now, may we have a listing of at least 10 foreign corporations whether multinationals or incorporated in the Philippines which took advantage of these tax incentives.

REP. CUA. We are asking for the current data, Your Honor.

Mme. Speaker, distinguished colleague, would you be amenable to the BOI giving you a list instead of reading out the company names in session?

REP. LAGMAN. Well, when is this available?

REP. CUA. This evening, Your Honor. Sorry, that is tomorrow.

REP. LAGMAN. What is the concern of the distinguished Sponsor in announcing to the public these multinational corporations which availed of these tax incentives?

REP. CUA. Mme. Speaker, the Board of Investments' representatives here are citing that they are bound by confidentiality of the investors.

REP. LAGMAN. Can we refer to any provision of law on such confidentiality? Because if there is such a provision of law then I will not pursue this question.

REP. CUA. Your Honor, Article 81 of the Omnibus Investment Code cites:

The Confidentiality of Applications. All applications and their supporting documents filed under this Code shall be confidential and shall not be disclosed to any person, except with the consent of the applicant or on orders of a court of competent jurisdiction.

REP. LAGMAN. Well, that provision refers to pending applications. How about those already granted incentives? Are those still covered by confidentiality? The public should know.

REP. CUA. Your Honor, they believe that the term “application” covers all, which is why if you recall, we passed the Law on TIMTA for other government agencies concerned to be able to gather such data and promote transparency in the granting of incentives.

REP. LAGMAN. Yes, but you know, that provision you have read, distinguished Sponsor, refers to application; it does not refer to grantees. What is so sacrosanct about the records of BOI that they have already been granted?

REP. CUA. Your Honor, may I give you a few names that I can see. Currently, there is ASEA One Power Corporation—no, sorry, that is a Filipino-owned company. So, there is Asia Pacific Digital, there is Asia Pacific Energy Corporation, there is Asian Craft—I am in a letter A, Your Honor, kaya tuloy Asia. And those are the ones I see currently that are foreign, and Asam Industries Incorporated.

REP. LAGMAN. Yes, those names are virtually anonymous.

REP. CUA. Yes, Your Honor.

REP. LAGMAN. They are not outstanding multinational corporations. Can we not name at least three reputable, outstanding multilateral corporations availing of tax incentives? Why are we so secretive about the identities of these corporations?

REP. CUA. Well, your Honor, we have Texas Instruments. I believe Daison is in the Philippines and Hanjin.

REP. LAGMAN. Okay. Well, the distinguished Sponsor admitted that another purpose of the grant of tax incentives would be to make the Philippines competitive in attracting foreign investors. Can we be informed whether because of these tax incentives, the Philippines became competitive?

REP. CUA. Well, we believe it did, Your Honor, because at that time more so than today, the Philippines was an even less competitive investment destination. So, naniniwala tayong it worked.

REP. LAGMAN. So, the distinguished Sponsor is telling us that the objectives of the grant of tax incentives achieved the purpose of attracting foreign investments, as well as, the Philippines becoming more competitive in the entry of foreign investments in the Philippines. Is that correct?

REP. CUA. Yes, Your Honor, although we also

believe that the global economy is fast changing; therefore, we also need to keep up with the times and modernize our incentives regime.

REP. LAGMAN. And when we rationalize tax incentives to the end that some corporations will be deprived of their tax incentives, would this not be a disincentive to investors who came in precisely because of the tax incentives?

REP. CUA. Yes, Your Honor. I believe it is going to be a disincentive for a recipient of an incentive who will no longer receive the incentives, but let me state on record, Your Honor, that the proposed regime that is currently under discussion also gives ample time for transition and also allows for renewal of incentive packages for deserving investors.

REP. LAGMAN. Yes. But that would be more inchoate than actual, because when you rationalize incentives, you will end up in depriving some corporations of these incentives, and do you have any data or projection? How many corporations now enjoy the tax incentives which will be discouraged to further continue their investments and operation in the Philippines because they have been deprived of the very tax incentives which attracted them to come in?

REP. CUA. Your Honor, the framers of this Bill believe that 1,617 firms enjoy redundant incentives, but it is still assumed that they will not fly out of the economy because—precisely because the incentives are redundant; therefore, the market alone is attractive enough to keep these investments in our country.

REP. LAGMAN. How empirical is that assumption?

REP. CUA. This is the data from TIMTA in 2015 and based on the cost benefit analysis generated by the Department of Finance.

REP. LAGMAN. And would this assumption be true to all those corporations which would be losing their tax incentives?

REP. CUA. Your Honor, yes, that is the presumption for all and if not all, these firms that will lose their incentives, as mentioned earlier, may reapply for the new set of incentives.

REP. LAGMAN. What new set of incentives can be reapplied to?

REP. CUA. Well, the new set of incentives, Your Honor, allows for five to seven years of incentives.

Five years, if located within urban areas, and seven years, if located outside, to further spur countryside development. In those five years, three are income tax holidays and two years are the other incentives granted to the investors.

REP. LAGMAN. Well, this is assuming that these corporations, deprived of their current tax incentives, will be qualified for other incentives. But, how about those who are not qualified and will be completely deprived of the tax incentives which, in the first place, attracted them to come in, what will happen?

REP. CUA. Well, we believe, Your Honor, since their incentives are redundant and they are practically here because of the sizeable market share or the very good labor force or many other factors, they will stay on and conduct their business even at the regular income, corporate income tax rate.

REP. LAGMAN. And there is no assumption, even at the very least, that these corporations losing their incentives and not qualified for new incentives will relocate to another place or country.

REP. CUA. Your Honor, most of these firms are domestic; therefore, the risk of flight is less because they are mostly Filipino-owned.

REP. LAGMAN. But, you know, domestic could be locally owned, Filipino-owned corporation or a corporation of foreigners registered in the Philippines, so the nomenclature of domestic is rather generic.

REP. CUA. That added to the fact, Your Honor, or the presumption that the incentives offered to these industries or these companies are redundant; therefore, there are other factors or reasons for these investments to stay on in our country.

REP. LAGMAN. Well, will this rationalization of tax incentives make the Philippines less competitive?

REP. CUA. I believe, Your Honor, as a whole, as we look at the amendments being presented today, we believe that these incentives that are being offered will make the Philippines more competitive.

REP. LAGMAN. Do you have any matrix of the incentives granted by other countries and these incentives presently being granted by the Philippines?

REP. CUA. Your Honor, yes, we do.

REP. LAGMAN. You have a matrix, and what

would be the result in that matrix if some of the incentives we are granting will be withdrawn?

REP. CUA. Mme. Speaker, we believe that our proposed menu is competitive compared to our ASEAN neighbors.

REP. LAGMAN. Will the distinguished Sponsor, Mme. Speaker, tell us why that is his belief?

REP. CUA. Because, Mme. Speaker, we have a renewal mechanism by which an investor may actually be granted longer incentives, as long as the growth continues and the provision of new jobs continues.

REP. LAGMAN. May we be favored with a copy of that matrix ...

REP. CUA. Definitely, Mme. Speaker, Your Honor.

REP. LAGMAN. ... comparing the incentives the Philippines is granting and the incentives being granted by other countries?

REP. CUA. Yes, we will provide our distinguished colleague.

REP. LAGMAN. Mme. Speaker, may we know if there are other interpellators who are lined up.

THE DEPUTY SPEAKER (Rep. Cayetano). The Majority Leader will please respond to the question of Representative Lagman if there are any other Members who wish to interpellate today or for the days to come.

REP. SALO. Mme. Speaker, there are two more Members who will interpellate after the Gentleman.

REP. LAGMAN. May I give way to the others who wish to interpellate and resume my interpellation tomorrow? I have a hard time standing up because of a knee surgery.

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

SUSPENSION OF SESSION

REP. SALO. I move that we suspend the session, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). Is there any objection? (*Silence*) The Chair hears none; the session is suspended.

It was 6:22 p.m.

RESUMPTION OF SESSION

At 6:22 p.m., the session was resumed.

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

REP. SALO. Mme. Speaker, I move that we resume the interpellations on House Bill No. 8083.

REP. SALO. Mme. Speaker, next to interpellate is Representative ...

THE DEPUTY SPEAKER (Rep. Cayetano). Just to clarify, Representative Lagman will continue his interpellation tomorrow with the remaining time that he has.

REP. SALO. Mme. Speaker, Congressman Lagman will continue his interpellation right after the ...

THE DEPUTY SPEAKER (Rep. Cayetano). Okay, so he is just resting. I was not sure about that.

Thank you.

REP. SALO. Thank you very much, Mme. Speaker.

May we recognize Rep. Carlos Isagani T. Zarate from the Party-List BAYAN MUNA for his interpellation.

THE DEPUTY SPEAKER (Rep. Cayetano). Representative Zarate is recognized.

Please proceed.

REP. ZARATE. Thank you, Mme. Speaker. Magandang gabi po ulit.

Puwede po bang magtanong sa ating kagalang-galang na Sponsor?

REP. CUA. Opo, Mme. Speaker, Your Honor.

REP. ZARATE. Mme. Speaker, ang TRAIN 2 ay kabahagi ng limang paketeng tax reform packages na ipinapanukala ng present administration. Tama po ba?

REP. CUA. Tama po.

REP. ZARATE. Kahit na tinawag itong TRABAHO, ito pa rin ay part ng entire five-package tax reform measures ng Duterte administration. Is that correct?

REP. CUA. Tama po.

REP. ZARATE. Bago po tayo magpalawig dito sa TRAIN 2, puwede bang magbigay ng update ang kagalang-galang nating Sponsor, Mme. Speaker. Ano

na ba ang naging status nitong implementation natin ng TRAIN 1? Sa pagkakaalam po natin ay dapat mayroong mga kaalinsunod na implementing rules sa pag-i-implement ng TRAIN 1. Ito ba ay nagawa na ng kagawaran ng Bureau of Internal Revenue at iba pang mga ahensiya, Mme. Speaker?

REP. CUA. Mme. Speaker, Your Honor, sa larangan ng pag-issue ng implementing rules and regulations, halos lahat po ay kumpleto na. Sa information ng DOF, mayroon na lang tatatlo na inihahanda, tatlong IRR for issuance.

REP. ZARATE. Mme. Speaker, puwede po bang malaman ng Kinatawang ito at ng Kongreso kung ano na lang itong tatlong naiwang ito na hanggang sa ngayon, magtatapos na ang 2018, ay wala pang IRR issuance.

REP. CUA. Iyong tatlo pong inaantabayanan natin ay ang IRR sa: (1) tax on cosmetic procedure; (2) tax on interest rates; and (3) ang proseso po sa valuation ng mga real property.

REP. ZARATE. Ibig po bang sabihin nito, G. Isponsor, Mme. Speaker, in the absence of issuances related dito, as we speak now, wala pa namang koleksyon in relation to these three sectors that you mentioned.

REP. CUA. Ang paliwanag po ng DOF, mayroon silang sinusunod na interim or temporary guidelines kaya patuloy naman ang pagkolekta ng mga buwis na ito.

REP. ZARATE. So, despite the absence of issuances, for example, doon po sa valuation ng real properties, ano ang nagiging batayan ng kanilang koleksyon?

REP. CUA. Mme. Speaker, Your Honor, pagdating naman po kasi sa real property, hindi naman koleksyon ang pinag-uusapan, ang proseso lang. Wala itong impact on the actual collection.

Iyong period of evaluation and updating of the land values, ito lang po ang ina-update sa hinihintay natin na IRR.

REP. ZARATE. Okay. Maraming salamat, Mme. Speaker, Mr. Sponsor.

Hindi ba sa ilalim ng TRAIN, kaya itinatanong ko po ito, hindi ba mayroon ding adjustments sa bayarin, halimbawa, related to real property? Halimbawa, if it belongs to an estate or it will be donated, mayroong adjustments kaya hindi natin puwedeng sabihin na walang epekto ito. Kaya gusto nating linawin in the absence of an issuance.

REP. CUA. Mme. Speaker, Your Honor, iyong pagdating sa IRR on the estate tax, na-issue na po iyon at nagpapatuloy na ito. Ang naiiwan na lang doon ay ang proseso ng pag-review ng land values. Iyon na lang ang kulang sa IRR.

REP. ZARATE. Thank you, Mme. Speaker, Mr. Sponsor.

Puwede po bang malinawan tayo ng kagalang-galang na Sponsor, Mme. Speaker, dahil siya rin naman ang pangunahing Sponsor ng TRAIN 1. Ngayon po ba, ano na ang ating tinatayang makokolekta sa unang taon ng TRAIN 1 sa lahat ng mga in-impose nating mga bagong buwis pagkatapos nating tanggalin iyong adjustments sa income tax na pinayagan natin sa TRAIN 1?

REP. CUA. Mme. Speaker, Your Honor, the target for 2018 is P90 billion.

REP. ZARATE. P90 billion.

REP. CUA. Opo.

REP. ZARATE. So, mas mababa na po ito doon sa original target na P97 billion, because I remember either late last year or earlier this year, after the adjustments, ang sinasabi ng Kagawaran ng Pinansiya, for the first year is P97 billion ang makokolekta under TRAIN 1.

REP. CUA. Mme. Speaker, Your Honor, noong tayo po ay nagsara ng Conference Committee kasama ng ating mga magigiting na Senador, naaalala natin na ang estimate was at P90 billion.

Maaaring mayroong usap-usapin noon ng Package 1B which could have increased this, which include the tax amnesty, the rice tariffication and another measure to complement the previous TRAIN Law.

REP. ZARATE. Dahil po nagkaroon nga ng adjustment—I remember when we were debating on TRAIN 1—it went as high as P120 billion ang target, then naging P97 billion at ngayon P90 billion. May impact ba ito sa supposed reforms na isinusulong ng present administration, including iyong masyadong pinagmamalaking Build, Build, Build dahil sabi nga natin ito ay ifi-finance sa Build, Build, Build Program ng present administration?

REP. CUA. Siyempre po kung anumang karagdagang possible collection ay makakatulong sa ating fiscal position, pero naniniwala naman tayo na at this level, medyo maganda naman ang katayuan ng ating fiscal health.

REP. ZARATE. Thank you, Mr. Sponsor, Mme. Speaker.

Maalala ko rin po noong pinagdedebatehan natin dito ang TRAIN 1, kami ay nagbabala na talagang napakalaki ng magiging impact at epekto nito sa kabuhayan, lalung-lalo na sa ating mga mahihirap na kababayan. Kung maalala ko ang sinabi ko noon dito, by 2018, magkakaroon ng price shocks. Of course, this was dismissed by our economic managers. Sabi ng Department of Finance hindi mangyayari iyon dahil napag-aralan na. Kahit na doon sa usapin, halimbawa, ang epekto sa diesel na P2.50 for the first year ay it was dismissed.

Mr. Sponsor, Mme. Speaker, ito na ngayon, Setyembre na tayo, maglalabas na naman ng bagong datos ang Bangko Sentral ng Pilipinas, ang ating economic managers, tinataya na ang ating inflation rate ay nasa 5.9 percent o kung hindi man 6 percent.

Ano po ba ang naging interpretasyon ng ating kagalang-galang na Sponsor, Mme. Speaker, sa nangyayaring pagtaas ng mga presyo ng bilihin sa ngayon, including inflation? Siya ba ay naniniwala na may malaking bahagi rito ang implementation ng TRAIN 1 o wala?

REP. CUA. Sa tingin po natin, Mme. Speaker, may kontribusyon dito ang TRAIN 1. Hindi naman natin ito idine-deny. Ngunit nakita naman po natin na ang pagtaas ng presyo ng krudo sa merkado ay mahigit P13, I think P15 na yata ang iniangat nito, of which P2.50 ang contribution ng ating naging panukalang batas. Sa tingin natin, karamihan ay dulot ng presyo sa merkado. In fact, kahit itanong natin iyong mga kababayan natin sa Canada, nagtaasan din po ang presyo ng krudo sa Canada at sa iba't ibang sulok ng daigdig. Wala naman sigurong TRAIN Law sa Canada, ngunit ito po talaga ay nangyayari sa buong mundo.

REP. ZARATE. Totoo naman po iyon, pandaigdigang merkado nga ito. Pero dito sa atin, hindi natin puwedeng ikumpara ang kinikita ng isang ordinaryong magsasaka, ordinaryong manggagawa, sa mga manggagawa sa mauunlad na bansa kagaya ng Canada, kaya napakalaki po ng epekto sa atin, kaya pag-usapan natin ang epekto sa ating mga kababayan. Sabi nga nila, nasa all-time high for the past, kung hindi man 10 years, 5 years itong ating napakataas na inflation ngayon. Kahit ano pang pagtatakip na gawin natin, talagang napakalaki ng epekto ng mga ipinataw na bagong buwis sa pagtaas ng ating inflation rate. Bakit ko po pinupuntuhan iyan? Dahil nag-uusap na naman tayo ng pangalawang pakete ng TRAIN. Sa unang pakete pa lamang, napaka-rosy ng presentasyon at ng mga projection, mga assumption na ibinigay sa atin ng ating economic managers. Kung maalala ko ang TRAIN 1, tinawag pa nilang the most egalitarian piece of legislation. Ito ngayon, if it is egalitarian, I do not know what is egalitarian anymore, na ang tinatamaan ay ang milyun-milyon nating

mahirirap. Kahit na ano pa man ang sabihin natin, halimbawa, kanina lumabas sa pagdinig ng budget ng NFA, sa Tawi-Tawi ay halos P100 kada kilo ng bigas. Wala na tayong mabiling murang galunggong, at lahat-lahat ay nagtaasan na.

Dito pumapasok, Mme. Speaker, Mr. Sponsor, na paano natin pagkakatiwalaan ngayon ang sinasabi ninyo na itong TRAIN 2 nga, ang pangalawang pakete ng tax reform, ay magbibigay kaginhawahan sa ating mamamayan. In fact, there is a rebranding, tinatawag nating TRABAHO ito dahil magbibigay ng trabaho. What is the assurance now na ang ating mga ordinaryong mamamayan, si ordinaryong Juan Dela Cruz at Juana Dela Cruz na ang magdadala ng pagkain sa kanilang lamesa at magbibigay ng katiyakan sa kanilang trabaho sa mga darating na araw, Mme. Speaker, Mr. Sponsor?

REP. CUA. Mme. Speaker, distinguished colleague, naniniwala tayo na ang situwasyon ngayon ng ating mga kababayan ay mahirap. Sumasang-ayon tayo sa ating kasamahan na kailangan ng tulong ng ating mga kababayan. Kaya nga po sa nakaraang TRAIN Law, naglagay tayo ng social safety measures na siyang magbibigay ng tulong sa mga pinakamahihirap na Pilipino sa buong bansa, na magbibigay hindi lamang ng cash transfers ngunit iyong talagang tutugon sa pamamagitan ng tulong by way of different government programs para sa ating mga kababayan.

That being said, Mme. Speaker, mas lalong kailangan ngayon ng ating mga kababayan ang mga oportunidad sa trabaho at ang pagbabago sa larangan ng opportunities para makahanap ng mas magandang buhay. Iyan naman po ang pakay ng Package 2, ang paglikha ng opportunities para sa ating mga kababayan.

Mme. Speaker, distinguished colleague, nais ko pong ibahagi muli sa lahat ng kasamahan natin na ang Package 2 o ang TRABAHO Bill ay hindi nagpapanukalang magdagdag ng buwis o magpataw ng panibagong buwis sa mga biling ng ordinaryong consumer. Kaya sa tingin po natin at sa pagtatalakay natin kasama ng Finance Department, isinantabi natin lahat ng inflation aggravating measures dito, para sa ganon, hindi mahirapan ang ating mga kababayan.

REP. ZARATE. Tama po iyan, ang tinuran ninyo na wala namang ipapataw na panibagong buwis dito. Pero sa katunayan, magbabawas nga tayo ng buwis. Siyempre, kapag nagbabawas ka ng buwis, mayroong epekto ito sa pondo ng pamahalaan na sa kasalukuyan alam naman natin na taun-taon ay may deficit sa ating paggagasta dahil kulang ang kinokolekta natin sa budget na inilalaan ng ating pamahalaan. Kaya kahit na sabihin po natin dito sa TRAIN 2 ay walang dagdag na buwis ito, bagkus nagbaba tayo ng buwis sa mga korporasyon, ultimately at the end of the day, hahanapin at hahanapin natin iyong nawala. Pero bago ako tumungo diyan,

nabanggit ninyo iyong social safety nets or measures under TRAIN 1. Puwede po bang magbigay lang tayo ng update. Halimbawa sa usapin ng Unconditional Cash Transfer, as we speak now, ilan na po ang nabigyan natin ng ayuda alinsunod sa sinasabi nating pagbibigay ng P200 a month sa pinakamahihirap nating mga kababayan.

REP. CUA. Sa huli pong ulat ng DSWD, iyong Unconditional Cash Transfer ay nakapag-distribute na po sa six million na mga kababayan natin. May balanse pa po silang six million.

REP. ZARATE. Kung matatandaan po, puwede po bang ilinaw dito sa ating pong ipinasang TRAIN 1, hanggang saan po bang antas ng ating populasyon ang puwedeng makinabang dito? Hanggang 10 milyon lang ba o doon sa ating batas ay higit pa sa 10 milyon?

REP. CUA. Dito po ay iyong 10 milyon ay nagrepresent po ng 10 milyong households. So, at an average of four to five members per household, ito po ay nangangahulugan sa 40 to 50 million Filipinos which is close to half of our population.

REP. ZARATE. Okay, halos kalahati po. Pero nakasaad po doon sa batas, correct me if I am wrong, na hanggang seventh decile dapat ang makinabang sa unconditional cash transfer. Kaya po bang abutin ito sa unang taon ayon po sa pagtataya ng ating mga Kagawaran na in charge ho dito?

REP. CUA. Sa tingin po natin, Your Honor, ang seventh decile ng listahanan, which is the database ng ating DSWD, ay katumbas nito ang kalahating porsyento o 50 percent ng ating populasyon. Kumbaga, ito po iyong compliance natin doon sa seventh decile.

REP. ZARATE. Okay, so nabanggit ninyo kaninang six million na iyong nabigyan ninyo ng tulong, equivalent po sa magkano ito, sa exact figure or real amount, six million households?

REP. CUA. Ito po ay nangangatumbas ng P14.3 billion na po.

REP. ZARATE. Okay. P14.3 billion. Samakatuwid doon ho sa ating dapat na pondo na P27 billion dahil 30 percent dapat ay inilalaan natin sa social measures, may naiwan na lang pong P12.7 billion at mayroon pa tayong apat na milyon na sinasabi ninyo na dapat na makinabang rito. Doon lang po ito sa unconditional cash transfer.

Ang sunod ko pong tanong, doon po naman sa ibang usapin, halimbawa sa Pantawid Pasada na maapektuhan, na magiging affected na mga drivers natin, magkano na po ang ating naibigay at ilan na ang na-cover nito?

REP. CUA. Ang na-distribute na po as of this week ay 5,877 cards na naglalaman ng P5,000 kada card.

REP. ZARATE. So in exact amount, ilang milyon ho ito?

REP. CUA. Ah, nangangahulugang higit na P25—mga P27 million po.

REP. ZARATE. Twenty-seven million? Anyway, so malinaw po doon sa ating target na P90 billion for this year, may P27 billion diyan na inilalaan.

Ang next ko pong tanong, dahil doon ho naman sa TRAIN 1, hindi lang naman ang nakinabang doon ay ang mga above-minimum wage sa adjustment dahil ang above-minimum wage, iyong minimum wage and below, exempted na dati iyan.

Under the TRAIN 1, ang makikinabang lang talaga nang medyo malaki ay iyong above-minimum wage up to P250,000 dahil exempted na sila sa payment of income tax, but more than that, even those earning P250,000 and above ay mayroon ding adjustment. Kaya, puwede po bang matanong natin, Mme. Speaker, Mr. Sponsor, mayroon ho bang pagtataya ang Department of Finance? Magkano rin ang kinita, halimbawa, in terms of adjustment doon sa income noong ating mga top individual taxpayers in terms of income? Was there a study?

REP. CUA. Pakiulit lang po iyong katanungan, distinguished colleague.

REP. ZARATE. Doon ho sa TRAIN 1, hindi lang naman ang nakinabang doon sa income tax adjustment iyong kumikita ng above-minimum wage up to P250,000. Iyon iyong talagang absolute, wala na silang babayaran. Pero dahil may in-adjust din sa tax rates, mayroon po bang pag-aaral ang ating Kagawaran na dahil dito sa adjustment ng personal income tax rates, magkano ang naging kapakinabangan din noong mga top individual taxpayers natin?

REP. CUA. Individual taxpayers. Your Honor, kung hindi ako nagkakamali, noong ipinasá natin po ang TRAIN Law, ang pinakamayayaman na individual taxpayers ay mapapatawan or pinapatawan na natin ngayon ng mas mataas na tax rate at 35 percent. So, kung iyong pinakamayayaman na Pilipino ang pinag-uusapan, naniniwala tayong tumaas po ang kanilang bayaring buwis. The top taxpayers of our country are now paying at 35 percent from the previous 32 percent.

REP. ZARATE. At mayroon ho tayong menu, ang gusto kong itanong sunod, kung nagbabayad na po sila ng from 32 to 35 percent, how much is our projected collection from today's taxpayers? Habang, ...

REP. CUA. Sige po.

REP. ZARATE. ... Mme. Speaker, habang hinihintay natin iyong kanilang computation.

REP. CUA. Kinukuha lang po iyong datos.

REP. ZARATE. Isa pong related na tanong. Maalala ko, Mme. Speaker, distinguished Sponsor, ang orihinal na panukala ng Department of Finance sa mga briefing nila noon dito sa TRAIN 2 na ito, from 35 corporate income tax to 25 corporate income tax, ilo-lower siya. Ang pagpapababa niya ay incremental depending on the incentives na matanggal din natin doon sa mga korporasyon. Puwede ho bang matanong, kagalang-galang na Sponsor, bakit ho dito sa pinal na probisyon at itong pinagdedebatihan natin ngayon ay from 35 ay mas ibinaba pa natin doon sa 20 percent?

REP. CUA. Salamat sa tanong, distinguished colleague. Tama po kayo sa obserbasyon na ang unang panukala ng ating Finance Department ang kanilang posisyon ay from 30 ay ibababa nila ng 25 sa isang scheme na nakakabit siya sa mababawing incentives ng ating gobyerno.

Although nakikita natin ang kagandahan noon, ang tinatawag nating fiscal prudence of that design, sa kabilang argumento naman po noong tayo ay nakipagdayalogo sa mga stakeholders, napakahirap po ng isang business enterprise or ng isang investor na mag-forecast ng kanyang next year's tax obligation or liability kung walang fixed rate. So, kaya po minarapat natin na gawing scheduled sa isang paraan na manageable sa ating gobyerno, sa economic managers which is at 2 percent every two years.

Sa katanungan naman po kung bakit hanggang 20 percent ang ating naging pasya, sa pagdesisyon ng Komite, nakita natin na karamihan sa ating mga karatig-bansa ay nasa 20 percent na po ang kanilang tax rate. Ang susunod na pinakamataas sa Pilipinas ay 25 na po. So, kung nagbaba po tayo hanggang 25, pinakamataas pa rin po tayo sa buong rehiyon. Ang Singapore po at ang Hong Kong ay below 20 na po, kaya nakita natin na ang talagang average is and will be at 20 percent. Kaya tayo ay nag-target at a certain point in time, aabutin po natin iyong 20 percent.

REP. ZARATE. Salamat po doon sa inyong naging kasagutan.

Naalala ko po, kaya ganoon ang panukala noon ng sinasabi ng Department of Finance, para iyong kanilang assurance na kapag nag-adjust tayo ng corporate income tax ay magiging revenue neutral siya, kaya kailangan ding magbawas ng incentives. Pero napansin ko dito sa ating pinagdedebatihang panukalang batas ngayon, kahit hindi pa naisagawa iyong rationalization at

naibalik iyong kapakinabangan sa ating kaban ng bayan ay tuluy-tuloy iyon kasi naka-incremental na every two years. Hanggang 2029 ay maging 20 percent na siya. Ang naging tugon ninyo ngayon, ang justification nito bakit 20 percent, kasi gaya-gaya tayo sa ibang karatig-kapitbahay. Eh iba naman ho ang reyalidad sa ating mga kapitbahay na bansa. Talagang mauunlad na rin sila—Hong Kong, Singapore, even Vietnam—kaya sa tingin ko po, hindi ho nakabase ito doon sa talagang ano ang reyalidad sa ating bansa. Sa tingin namin, na dapat pa nga taasan, at nabanggit na rin ito ng aming ibang kasamahan. Taasan pa natin iyong corporate income tax dahil ito namang malalaking mga korporasyon na ito ang higit na nakikinabang sa yaman ng ating bansa. Kaya dapat tama lamang na mas malaki rin ang kanilang ibalik in terms of bayarin ng income tax. Dahil kung titingnan ho natin, if ilagay natin sa consideration iyong other benefits and incentives na natatanggap ng mga korporasyon na ito, tiyak na mababa pa nga iyong kanilang effective tax rate. Ibig sabihin, iyong talagang totoong binabayaran nila dahil nag-a-avail pa sila ng maraming incentives. Kaya sa katotohanan, lusing-lugi na tayo diyan.

So, ito na lang po, sa pagtataya ba natin, if this TRAIN 2 or TRABAHO is fully implemented, mayroon ho bang pag-aaral? In concrete amount, magkano ang mawawala sa bayan until 2029, for example, or kahit sabihin na lang ho nating up to the end of the term of President Duterte at 2022?

REP. CUA. Okay.

Sa 2022, ang ating tax rate ay already 26 percent yata. Ang kawalan sa gobyerno, ang total po ng lahat ay at P154 billion.

REP. ZARATE. One hundred fifty-four billion.

REP. CUA. Opo.

REP. ZARATE. Hanggang—until when?

REP. CUA. Until 2022.

REP. ZARATE. 2022?

REP. CUA. 2023 po pala iyon.

REP. ZARATE. 2023.

REP. CUA. Opo.

REP. ZARATE. Okay, so, P154 billion. Ang ibig sabihin nito, P154 billion na kawalan sa kaban ng bayan, pero P154 billion ho ito in concrete terms na dagdag sa bulsa ng mga malalaking korporasyon. Tama po ba iyong pagkasalarawan ko noong P154 billion na iyan?

REP. CUA. Mme. Speaker, sa naulat po natin kanina, 95 percent ng ating corporate taxpayers ay iyong tinatawag na micro-, small-, and medium-sized enterprises. Ang bulto po nitong P154 billion ay mapupunta doon sa mga micro-, small-, and medium-sized enterprises at hindi po doon sa mga malalaking kompanya.

REP. ZARATE. Well, kayo na rin po ang nagsabi kanina doon sa tinatawag natin sa ating halimbawa sa 2017 na koleksyon natin ng P588 billion, ang large taxpayers po nito ay malaki, sobra sa kalahati—P258 billion—iyong binayaran nila at iyong ating non-large taxpayers ay nagbayad lang ng P230 billion. Kaya dito rin sa ating computation na kung may mawawala sa ating kaban na P154 billion, kalakhan ng makinabang dito ay mga large taxpayers din dahil sila rin iyong talagang mabibiyayaan dito sa pag-reduce ng ating income tax at iyon ho ang ating sinasabi rito sa panukalang batas na ito. Sa halip na mangolekta tayo dito sa mga malalaking korporasyon na ito ng higit—pataasan pa iyong kanilang babayaran, ito talagang dagdag. Dinagdagan natin iyong limpak-limpak na nila na kita. At ito rin iyong mga large taxpayers na ito na every year, every quarter o half, every middle of the year, na hindi nagbabago iyong kanilang pag-a-announce na tumaas iyong kanilang income. So, ito iyong dalawang mukha ngayon na, Mme. Speaker, Mr. Sponsor, dalawang mukha—mukha ng TRAIN 1 at mukha ng TRAIN 2.

Sa TRAIN 1, sinabi natin, kapakinabangan ito sa mga ordinaryong mamamayan pero ang nangyayari ngayon, sa halip na kapakinabangan sa ating mahihirap at ordinaryong mamamayan, sila ang nagpasan. Iyong assurance noon ng economic managers na, “Hindi, ano naman ito eh, direct tax. Ang mga mayayaman ang magbabayad, ang magpapasan nitong P2.50 per liter na tax sa diesel”. Pero anong reyalidad ngayon? Ipinasa at ipinasa at ipinataw ito sa ating mga ordinaryong mamamayan. Kaya in reality, sila rin ang nagpapasan ng burden ng TRAIN 1, hindi ang mga mayayaman.

Dito sa TRAIN 2, binawasan natin ang income tax—ang babayaran ng mga malalaking korporasyon at mga mayayaman na, in the end, dahil kabawasan ito sa kita ng pamahalaan, saan natin ito babawiin? Di ho ba babawiin natin ito sa mga dagdag buwis na naman sa darating na panahon at kung hindi man dahil tuluy-tuloy ang ating deficit kada taon, dagdag utang na naman ito ng ating pamahalaan at kung utang ito, ang magbabayad ay tayo rin sa pamamagitan ng buwis, Mr. Sponsor, Mme. Speaker?

REP. CUA. Mme. Speaker, distinguished colleague, napakadaling sabihin na ang naging resulta ng pagtaas ng presyo ay dahil sa isang panukalang batas na alam naman natin maraming ibang kadahilanan na nagko-contribute sa pagtataas ng mga bilihin. Sa usapin ng petrolyo lamang, Mme. Speaker,

kalahati ng konsumo ng buong Pilipinas ay konsumo lamang ng 16 percent na pinakamayayamang pamilya dito sa ating bansa. Ganoon po kalaki ang konsumo ng 16 percent na pinakamayayamang Pilipino. Kaya kung ating titingnan iyong pagsasabing hindi natin bubuwisan ang petrolyo ay nagsasabing mas malaki ang matitipid ng mayayaman kaysa sa mahihirap. Ganoon po talaga ang datos na nalikom natin, at ako ay naniniwala na ang puso ng ating kasamahan dito ay para sa mahihirap. At sa tingin ko, ang mas mahalagang pag-usapan, kung ang kapakanan ng mahihirap ang ating pag-uusapan ay kung paano sila tutulungan sa pamamagitan ng tamang implementasyon ng social benefits program na siyang patuloy nating pinagtutulungan kasama ng Ehekutibo.

Pangalawa, paano tutulungan ang mahihirap na walang trabaho, na walang oportunidad sa buhay, na walang pagkakataong iangat ang kanilang pamilya? Paano natin sila tutulungan kung walang dagdag suweldo para sa kanila? At iyan naman po ang layunin ng Package 2.

Iyong sinasabi nating para sa mayayaman ang TRABAHO Bill, Mme. Speaker, ay walang katotohanan. In fact, dito nga natin titingnan kung itong pinakamalalaking kumpanya na siyang tumatamasa ng maraming insentibo ay dapat pang magpatuloy na tumanggap ng incentives. Dito natin titingnan kung itong malalaking dambuhalang kumpanya na siyang kumikita ng bilyun-bilyong piso ay dapat pang patuloy na nakakatanggap ng mas mababang tax rate kaysa sa mga micro-, small-, and medium-sized enterprises, Mme. Speaker.

Iyan po ang layunin nitong TRABAHO Bill. Iyan po ang ating adhikain para magkaroon ng parity, na magkaroon ng hustisya sa ating tax system, na siyang kadalasan, ang ating micro-, small-, and medium-sized enterprises, sila po ang nagbabayad ng 30-percent corporate income tax rate. Iyong malalaking multinational conglomerate, kung minsan, hindi naman po lahat pero may iilan, na kung sino pang napakalaki ng kita, sila pa ang nagbabayad ng mas maliit na buwis.

Iyon po ang ating layunin sa ating batas at panukala, na naniniwala ako, dahil sa ang ating kasamahan ay may puso para sa mahirap, hindi kami nagkakalayo ng adhikain.

REP. ZARATE. Salamat, Mr. Sponsor, Mme. Speaker.

Ang nakalulungkot po ay ganoon din po ang ating sinabi noong panahon noong TRAIN 1, na para sa kagalingan ito ng ating mamamayan. Ano ang nangyari ngayon? Halos hindi pa natapos ang unang taon ng TRAIN 1, talagang ano na, parang naipako na doon sa riles ng train ang ating mga kababayan, at nakatali sila sa riles ng train at sinasagasaan sila nitong TRAIN 1 habang ang mga nakakaluwag sa buhay, ang mga mayayaman ay front seat doon sa train na ito. Iyon din

ho ang aming pangamba talaga dito sa TRAIN 2 na ito o ang tinatawag na “TRABAHO,” na sa halip na trabaho ang dalhin nito ay kawalan ng trabaho o kabuhayan sa ating mga kababayan.

Maraming salamat po sa pagpapaunlak ninyo noong ating mga katanungan.

Thank you, Mme. Speaker.

REP. CUA. Maraming salamat po.

THE DEPUTY SPEAKER (Rep. Cayetano). The Presiding Officer has a question, as a quick follow-through of the interpellation. When the question was asked comparing our corporate rates to those of other ASEAN countries, is that not a reason also that our desire is to be competitive? That is correct, right, Mr. Sponsor?

REP. CUA. Opo, Mme. Speaker. Thank you po sa inyong katanungan.

Ang objective po natin ay humabol sa ating mga kasamahan dahil kung maaari kong ipaliwanag, imagine-in po natin ang isang Pilipino, lalaban sa isang Vietnamese sa larangan ng global market at magbebenta sa China halimbawa o sa Amerika, pero ang Vietnamese, nagbabayad sa kanyang bansa ng 20-percent income tax rate, ang Pilipino, nagbabayad ng 30-percent income tax rate. Isipin na lang po natin, paano lalaban nang patas ang Pilipino kung pilay na agad pagpasok pa lamang sa merkado?

THE DEPUTY SPEAKER (Rep. Cayetano). Well, to put it in a visually—because we are in the Asian Games, iyong Pilipino para mong sinasabing may buhat siyang additional 15 kilos, tumatakbo siya, iyong kalaban niya, walang buhat na ganoon, something like that.

REP. CUA. Opo.

THE DEPUTY SPEAKER (Rep. Cayetano). So, just my second and last question is, does the DOF have figures that tell us that when we become more competitive, what is our forecast for the growth in the economy or the figures in terms of more companies and more jobs, so good jobs and revenues?

REP. CUA. Salamat sa inyong tanong, Mme. Speaker. Ang forecast po ng DOF ay ito ay kailangan para magpatuloy ang ating 7- to 8-percent growth forecast ng ating ekonomiya. At nais ko pong sabihin na noong nakaraang mga buwan, tayo po ay nakatanggap ng positibong credit rating upgrade dahil sa ating mga sound fiscal policy na isinusulong ng ating Pangulo. At naniniwala tayo na ang patuloy na pag-upgrade nito ay contingent sa ating pagpasá ng panukalang ito. Ang pag-upgrade ay katumbas ng mas murang credit o ibig

sabihin ay mas murang pag-utang, which means mas mura din nating matutustusan ang gastusin ng ating gobyerno, Mme. Speaker.

Panghuli po, nagpapasalamat ako sa inyong analogy na ang isang atletang mas mabigat ang pasanin, mahihirapan talagang manalo. Tama po ito at napakaganda ng inyong paliwanag.

THE DEPUTY SPEAKER (Rep. Cayetano). Thank you.

So, ang suggestion lang po natin sa DOF, give us more concrete figures para iyong mga tanong na narinig ko from the past few interpellators, mabigyan natin sila noong figures to show what is the direct effect on the people when you lower the corporate tax rates especially for the big corporations. I think the DOF can improve on those illustrations to help the Sponsor explain it better to our colleagues.

So, that is all. Thank you very much.

The Majority Leader is recognized.

REP. CUA. Salamat po.

REP. MARCOLETA. Mme. Speaker, before we continue with the list of interpellators, I move that we recognize the Honorable Garbin to make way for a correction made on the floor on the manifestation of the Minority Leader.

THE DEPUTY SPEAKER (Rep. Cayetano). The Honorable Garbin is recognized.

REP. GARBIN. Thank you, Mme. Speaker.

As earlier manifested by the Minority Leader Danny Suarez as to the names of the new and additional Minority members as of September 3, 2018, he made mention of the name of Henry Ong, and to rectify the same, Mme. Speaker, he was really referring to Cong. Edwin C. Ong of the Second District of Northern Samar.

THE DEPUTY SPEAKER (Rep. Cayetano). The manifestation is noted. Thank you.

The Majority Leader is recognized.

REP. MARCOLETA. Mme. Speaker, I move that we take up at least two administrative matters before we continue with the interpellators.

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

REP. MARCOLETA. Mme. Speaker, we are in receipt of a message from the Senate informing the House that the Senate passed with amendments House Bill No. 990, entitled: AN ACT SEPARATING THE CITY OF CALAMBA FROM THE SECOND LEGISLATIVE

DISTRICT OF THE PROVINCE OF LAGUNA TO CONSTITUTE THE LONE LEGISLATIVE DISTRICT OF THE CITY OF CALAMBA.

We have been advised that the Committee on Local Government, sponsor of the said House Bill, as well as the author thereof, has no objections to the amendments introduced thereto by the Senate.

Mme. Speaker, in accordance with our rules, I move that we concur with the Senate amendments to House Bill No. 990.

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

DESIGNATION OF MEMBERS TO THE CONF. CTTEE.

REP. MARCOLETA. Mme. Speaker, I move that we designate the following Members to the Conference Committee on the disagreeing provisions of House Bill No. 7402 and Senate Bill No. 1363, ADOPTING TELECOMMUTING AS AN ALTERNATIVE WORKING ARRANGEMENT, namely: Rep. Randolph S. Ting, Rep. Luis Raymund F. Villafuerte Jr., Rep. Sherwin N. Tugna, Rep. Joel Mayo Z. Almario, and Rep. Aniceto "John" D. Bertiz III.

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

The Members nominated are so designated.

SUSPENSION OF SESSION

REP. MARCOLETA. I move to suspend the session, Mme. Speaker.

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

It was 7:09 p.m.

RESUMPTION OF SESSION

At 7:14 p.m., the session was resumed.

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

REP. MARCOLETA. Mme. Speaker, I move that we recognize the Honorable Garbin to make way for the nomination of some members for the Minority.

THE DEPUTY SPEAKER (Rep. Cayetano). Honorable Garbin is recognized.

ELECTION OF MEMBERS TO COMMITTEES

REP. GARBIN. Thank you, Mme. Speaker.
May I move for the election of the following
Members to various Committees:

*Representative Garbin read the names of the
House Members elected to the various Committees, per
Journal No. 14, dated September 3, 2018.*

SPECIAL COMMITTEE ON CLIMATE CHANGE

As Vice Chairman:
Rep. Christopher S. Co, vice Rep. Joey Sarte
Salceda

CONSTITUTIONAL AMENDMENTS

As member:
Rep. Ciriaco S. Calalang

COMMITTEE ON ETHICS AND PRIVILEGES

As member:
Rep. Richard C. Eusebio, vice Rep. Manuel
Monsour T. Del Rosario III

COMMITTEE ON ENERGY

As member:
Rep. Abigail Faye C. Ferriol-Pascual

SPECIAL COMMITTEE ON FOOD SECURITY

As member:
Rep. Francisco G. Datol Jr.

COMMITTEE ON GAMES
AND AMUSEMENTS

As member:
Rep. Juliet Marie D. Ferrer, vice Rep. Manuel
Monsour T. Del Rosario III

COMMITTEE ON GOOD GOVERNMENT AND
PUBLIC ACCOUNTABILITY

As member:
Rep. Rodel M. Batocabe, vice Rep. Rodolfo T.
Albano III

COMMITTEE ON HIGHER AND TECHNICAL
EDUCATION

As member:
Rep. Carlos Roman L. Uybarreta

COMMITTEE ON HOUSING AND URBAN
DEVELOPMENT

As member:
Rep. Abigail Faye C. Ferriol-Pascual

COMMITTEE ON LEGISLATIVE FRANCHISES

As member:
Rep. Carlos Roman L. Uybarreta, vice Rep. Aniceto
“John” D. Bertiz III

COMMITTEE ON LOCAL GOVERNMENT

As member:
Rep. Orestes T. Salon, vice Rep. Aileen C. Radaza

COMMITTEE ON METRO MANILA
DEVELOPMENT

As member:
Rep. Teodoro “Ted” G. Montoro

COMMITTEE ON MINDANAO AFFAIRS

As member:
Rep. Mohamad Khalid Q. Dimaporo

COMMITTEE ON NATIONAL DEFENSE
AND SECURITY

As members:
Rep. Teodoro “Ted” G. Montoro, and
Rep. Joseph Stephen S. Paduano, vice Rep. Aniceto
“John” D. Bertiz III

COMMITTEE ON POPULATION AND FAMILY
RELATIONS

As member:
Rep. Edwin C. Ong

COMMITTEE ON PUBLIC WORKS AND HIGHWAYS

As member:
Rep. Francisco G. Datol Jr.

COMMITTEE ON TOURISM

As member:
Rep. Francisco G. Datol Jr.

COMMITTEE ON WAYS AND MEANS

As member:
Rep. Milagros Aquino-Magsaysay

COMMITTEE ON JUSTICE

As members:

Rep. Rodel Batocabe, and
Rep. Michelle M. Antonio

REP. GARBIN. I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). The manifestation of the Minority group is noted. Thank you.

ELECTION OF REPS. BERTIZ AND ABAYON
AS DEPUTY MINORITY LEADERS

REP. GARBIN. I also move to elect Rep. Aniceto “John” D. Bertiz III, vice H. Harry L. Roque Jr., and Rep. Harlin Neil J. Abayon III, vice Rep. Eugene Michael B. De Vera, as Deputy Minority Leaders.

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

REP. GARBIN. Just to correct, Mme. Speaker, our previous manifestation, Rep. Christopher S. Co is to be a member only of the Special Committee on Climate Change.

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

REP. GARBIN. The same correction, Mme. Speaker, for Rep. Rodel M. Batocabe, as member of the Committee on Good Government and Public Accountability.

THE DEPUTY SPEAKER (Rep. Cayetano). Noted.

REP. GARBIN. The same correction for Rep. Juliet Marie D. Ferrer, as member of the Committee on Games and Amusements.

THE DEPUTY SPEAKER (Rep. Cayetano). Noted.

REP. GARBIN. Thank you, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). Thank you.

REP. ANDAYA. Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). Majority Leader, welcome.

ELECTION OF REP. ARBISON
AS DEPUTY SPEAKER

REP. ANDAYA. On the part of the Majority, we would like to elect, as Deputy Speaker, Rep. Munir M. Arbison, vice Rep. Bai Sandra Sinsuat A. Sema.

I so move, Mme. Speaker.

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

ELECTION OF MEMBERS TO COMMITTEES

REP. ANDAYA. May I move for the election of the following Members to various Committees:

The Majority Leader read the names of the House Members elected to the various Committees, per Journal No. 14, dated September 3, 2018.

COMMISSION ON APPOINTMENTS

As member:

Rep. Antonio R. Floirendo Jr., vice Rep. Rosenda Ann Ocampo

COMMITTEE ON ACCOUNTS

As member:

Rep. Cristal L. Bagatsing, vice Rep. Munir M. Arbison

COMMITTEE ON APPROPRIATIONS

As members:

Rep. Ronald M. Cosalan, vice Rep. Munir M. Arbison

Rep. Francis Gerald A. Abaya, vice Rep. Rose Marie “Baby” J. Arenas

Rep. Edcel C. Lagman, vice Rep. Rogelio J. Espina, and

Rep. Romero “Miro” S. Quimbo, vice Rep. Ron P. Salo

SPECIAL COMMITTEE ON CLIMATE CHANGE

As Chairperson:

Rep. Joey Sarte Salceda, vice Rep. Christopher S. Co

COMMITTEE ON
CONSTITUTIONAL AMENDMENTS

Rep. Micaela S. Violago, vice Rep. Reynaldo V. Umali

COMMITTEE ON DANGEROUS DRUGS

As members:
Rep. Jesus “Boying” F. Celeste, vice Rep. Rodolfo T. Albano III, and
Rep. Ronald M. Cosalan, vice Rep. Maximo B. Dalog

As Vice Chairperson:
Rep. Arnulfo P. Fuentesbella, vice Rep. Rodolfo T. Albano III

As member:
Rep. Anna Katrina M. Enverga, vice Rep. Gloria Macapagal-Arroyo

SPECIAL COMMITTEE ON EAST ASEAN GROWTH AREA

As member:
Rep. Manuel Jose “Mannix” M. Dalipe, vice Rep. Mauyag “Jun” B. Papandayan Jr.

SPECIAL COMMITTEE ON WEST PHILIPPINE SEA

As Chairperson:
Rep. Ana Cristina Siquan Go, vice Rep. Feliciano Belmonte Jr.

COMMITTEE ON ECOLOGY

As Vice Chairperson:
Rep. Dakila Carlo E. Cua, vice Rep. Arthur C. Yap

As member:
Rep. Emmanuel F. Madrona, vice Rep. Imelda R. Marcos

COMMITTEE ON GAMES AND AMUSEMENTS

As Vice Chairperson:
Rep. Lianda B. Bolilia, vice Rep. Rodolfo T. Albano III

As members:
Rep. Jeffrey D. Khonghun, vice Rep. Ana Cristina Siquan Go
Rep. Salvio B. Fortuno, vice Rep. Lucy T. Gomez, and
Rep. Romero “Miro” S. Quimbo, vice Rep. Cristina “Chiqui” Roa-Puno

COMMITTEE ON ECONOMIC AFFAIRS

As members:
Rep. Jorge T. Almonte, vice Rep. Rodolfo T. Albano III, and
Rep. Manuel Jose “Mannix” M. Dalipe, vice Rep. Gloria Macapagal-Arroyo

COMMITTEE ON GOOD GOVERNMENT AND PUBLIC ACCOUNTABILITY

As member:
Rep. Rosanna “Ria” Vergara, vice Rep. Reynaldo V. Umali

COMMITTEE ON ENERGY

As members:
Rep. Sabiniano S. Canama, vice Rep. Henedina R. Abad
Rep. Dale “Along” R. Malapitan, vice Rep. Rose Marie “Baby” J. Arenas
Rep. Eric M. Martinez, vice Rep. Rodante D. Marcoleta, and
Rep. Florida “Rida” P. Robes, vice Rep. Prospero A. Pichay Jr.

COMMITTEE ON GOVERNMENT ENTERPRISES AND PRIVATIZATION

As member:
Rep. Greg G. Gasataya, vice Rep. Henedina R. Abad

COMMITTEE ON ETHICS AND PRIVILEGES

As Vice Chairperson:
Rep. Christopher “Toff” V.P. De Venecia, vice Rep. Evelina G. Escudero

As member:
Rep. Arnel M. Cerafica

COMMITTEE ON HIGHER AND TECHNICAL EDUCATION

As Chairperson:
Rep. Paolo Everardo S. Javier, vice Rep. Ann K. Hofer

COMMITTEE ON FOREIGN AFFAIRS

As Chairperson:
Rep. Feliciano Belmonte Jr., vice Rep. Ana Cristina Siquan Go

As member:
Rep. Zajid G. Mangudadatu, vice Rep. Ruwel Peter S. Gonzaga

COMMITTEE ON HOUSING
AND URBAN DEVELOPMENT

As Vice Chairperson:
Rep. Rogelio Neil P. Roque, vice Rep. Aileen C. Radaza

As member:
Rep. Arnulfo P. Fuentesbella, vice Rep. Lucy T. Gomez

COMMITTEE ON HUMAN RIGHTS

As member:
Rep. Raul V. Del Mar, vice Rep. Rodolfo T. Albano III

COMMITTEE ON INFORMATION AND
COMMUNICATIONS TECHNOLOGY

As members:
Rep. Jose Christopher Y. Belmonte, vice Rep. Aileen C. Radaza, and
Rep. Greg G. Gasataya, vice Rep. Lucy T. Gomez

COMMITTEE ON JUSTICE

As member:
Rep. Romero “Miro” S. Quimbo, vice Rep. Munir M. Arbison

COMMITTEE ON LABOR AND EMPLOYMENT

As members:
Rep. Ariel “Ka Ayik” B. Casilao, vice Rep. Mauyag “Jun” B. Papandayan Jr., and
Rep. Edward Vera Perez Maceda, vice Rep. Gloria Macapagal-Arroyo

COMMITTEE ON LEGISLATIVE FRANCHISES

As Vice Chairpersons:
Rep. Dale “Along” R. Malapitan, vice Rep. Aileen C. Radaza, and
Rep. Joseph Sto. Niño B Bernos, vice Rep. Jorge “Bolet” Banal

As member:
Rep. Jorge “Bolet” Banal, vice Rep. Joseph Sto. Niño B. Bernos

COMMITTEE ON
METRO MANILA DEVELOPMENT

As member:
Rep. Romero “Miro” S. Quimbo, vice Rep. Manuel Monsour T. Del Rosario III

COMMITTEE ON MINDANAO AFFAIRS

As member:
Rep. Alberto T. Ungab, vice Rep. Ruwel Peter S. Gonzaga

COMMITTEE ON MUSLIM AFFAIRS

As Chairperson:
Rep. Bai Sandra Sinsuat A. Sema, vice Rep. Mauyag “Jun” B. Papandayan Jr.

COMMITTEE ON NATIONAL DEFENSE
AND SECURITY

As member:
Rep. Allen Jesse C. Mangaoang, vice Rep. Rodolfo T. Albano III

COMMITTEE ON NATURAL RESOURCES

As member:
Rep. John Marvin “Yul Servo” C. Nieto, vice Rep. Reynaldo V. Umali

SPECIAL COMMITTEE ON PEACE,
RECONCILIATION AND UNITY

As member:
Rep. Carlos Isagani T. Zarate, vice Rep. Mauyag “Jun” B. Papandayan Jr.

COMMITTEE ON PEOPLE PARTICIPATION

As member:
Rep. Gavini “Apol” C. Pancho, vice Rep. Sitti Djalía A. Turabin-Hataman

COMMITTEE ON POPULATION
AND FAMILY RELATIONS

As Vice Chairperson:
Rep. Mariano Michael M. Velarde Jr., vice Rep. Kaka J. Bag-ao

As members:
Rep. Kaka J. Bag-ao, vice Rep. Mariano Michael M. Velarde Jr., and
Rep. Edwin C. Ong, vice Rep. Sitti Djalía A. Turabin-Hataman

COMMITTEE ON POVERTY ALLEVIATION

As member:
Rep. Alberto T. Ungab, vice Rep. Gloria Macapagal-Arroyo

COMMITTEE ON PUBLIC ORDER AND SAFETY

As members:

Rep. Eric M. Martinez, vice Rep. Rodolfo T. Albano III, and
Rep. Juliette T. Uy, vice Rep. Ruwel Peter S. Gonzaga

COMMITTEE ON PUBLIC WORKS
AND HIGHWAYS

As Chairperson:

Rep. Bayani F. Fernando, vice Rep. Celso L. Lobregat

As Vice Chairperson:

Rep. Manuel Jose “Mannix” M. Dalipe, vice Rep. Munir M. Arbison

As members:

Rep. Dale “Along” R. Malapitan, vice Rep. Rodolfo T. Albano III, and
Rep. Rogelio “Ruel” D. Pacquiao, vice Rep. Ruwel Peter S. Gonzaga

COMMITTEE ON RULES

As Deputy Majority Leaders:

Rep. Wilter “Sharky” Wee Palma II, vice Rep. Aurelio “Dong” D. Gonzales Jr.
Rep. Cristina “Chiqui” Roa-Puno, vice Rep. Roger G. Mercado, and
Rep. Ron P. Salo, vice Rep. Arnel U. Ty

As Assistant Majority Leaders:

Rep. Cristal L. Bagatsing, vice Rep. Cristina “Chiqui” Roa-Puno
Rep. Lawrence H. Fortun, vice Rep. Ron P. Salo, and
Rep. Rosanna “Ria” Vergara, vice Rep. Christopher V.P. De Venecia

COMMITTEE ON SMALL BUSINESS AND
ENTREPRENEURSHIP DEVELOPMENT

As Chairperson:

Rep. Dennis C. Laogan, vice Rep. Peter “Sr. Pedro” M. Unabia

As Vice Chairperson:

Rep. Baby Aline Vargas-Alfonso, vice Rep. Ruwel Peter S. Gonzaga

COMMITTEE ON TOURISM

As Chairperson:

Rep. Corazon T. Nuñez-Malanyaon, vice Rep. Lucy T. Gomez

As members:

Rep. Micaela S. Violago, vice Rep. Henedina R. Abad, and
Rep. Melecio J. Yap Jr., vice Rep. Reynaldo V. Umali

COMMITTEE ON TRADE AND INDUSTRY

As Vice Chairperson:

Rep. Milagrosa “Mila” T. Tan, vice Rep. Lucy T. Gomez

COMMITTEE ON TRANSPORTATION

As members:

Rep. Anna Katrina M. Enverga, vice Rep. Aileen C. Radaza
Rep. Suharto T. Mangudadatu, vice Rep. Lucy T. Gomez, and
Rep. Manuel F. Zubiri, vice Rep. Reynaldo V. Umali

COMMITTEE ON VETERANS AFFAIRS
AND WELFARE

As member:

Rep. Juliette T. Uy, vice Rep. Gloria Macapagal-Arroyo

SPECIAL COMMITTEE ON
VISAYAS DEVELOPMENT

As members:

Rep. Rogelio J. Espina, M.D. vice Rep. Aileen C. Radaza, and
Rep. Erico Aristotle C. Aumentado, vice Rep. Lucy T. Gomez

COMMITTEE ON WOMEN
AND GENDER EQUALITY

As members:

Rep. Arlene D. Brosas, vice Rep. Henedina R. Abad, and
Rep. Emmi A. De Jesus, vice Rep. Rose Marie “Baby” J. Arenas

COMMITTEE ON YOUTH
AND SPORTS DEVELOPMENT

As member:

Rep. Sarah Jane I. Elago, vice Rep. Ruwel Peter S. Gonzaga

SUSPENSION OF SESSION

REP. ANDAYA. May we have a one-minute suspension of the session, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). The session is suspended for a minute.

It was 7:29 p.m.

RESUMPTION OF SESSION

At 7:31 p.m., the session was resumed.

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

REP. ANDAYA. Yes, Mme. Speaker, just for clarity, we would like to name the members once again for the Majority, and the names of the members of the Committee on Justice:

1. Rep. Doy C. Leachon
2. Rep. Vicente "Ching" S.E. Veloso
4. Rep. Henry S. Oaminal
5. Rep. Arnulfo P. Fuentesbella
8. Rep. Roy M. Loyola
9. Rep. Marlyn L. Primicias-Agabas
10. Rep. Jerry P. Treñas
11. Rep. Rose Marie "Baby" J. Arenas
12. Rep. Bayani F. Fernando
13. Rep. Suharto T. Mangudadatu
14. Rep. Ramon V.A. "Rav" Rocamora
15. Rep. Federico "Ricky" S. Sandoval II
16. Rep. Horacio P. Suansing, Jr.
17. Rep. Jericho Jonas B. Nograles
19. Rep. Antonio R. Floirendo, Jr.
20. Rep. Romeo M. Acop
21. Rep. Lawrence H. Fortun
23. Rep. Ferjenel G. Biron, M.D.
24. Rep. Robert Ace S. Barbers
26. Rep. Divina Grace C. Yu
27. Rep., Noel L. Villanueva
28. Rep. Manuel Luis T. Lopez
29. Rep. Edward Vera Perez Maceda
30. Rep. Xavier Jesus D. Romualdo
32. Rep. Luisa Lloren Cuaresma
33. Rep. Zajid G. Mangudadatu
35. Rep. Sherwin N. Tugna and lastly,
36. Rep. Michael L. Romero, PhD.

This is just for clarity, Mme. Speaker, on the members of the Majority to the Committee on Justice.

THE DEPUTY SPEAKER (Rep. Cayetano). The manifestation is noted. Thank you.

REP. LAGMAN. Mme. Speaker.

WITHDRAWAL OF ELECTION OF REP. ONG

REP. ANDAYA. Again, Mme. Speaker, on the part

of the Majority, we would like to withdraw the election of Rep. Edwin C. Ong as member of the Committee on Population and Family Relations.

I so move, Mme. Speaker.

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

REP. LAGMAN. Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). Yes, please proceed. Representative Lagman, you are recognized.

REP. LAGMAN. I would like to thank the Majority Leader for moving for my election as member of the Committee on Appropriations, but I would like to clarify that my accepting the said election is as a member of the independent opposition.

THE DEPUTY SPEAKER (Rep. Cayetano). It is noted.

Majority Leader, any comment?

Noted.

REP. MARCOLETA. As accommodated, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). Thank you.

REP. MARCOLETA. Again, Mme. Speaker, may we recognize the Honorable Garbin for the last correction on his part.

THE DEPUTY SPEAKER (Rep. Cayetano). The Honorable Garbin is recognized.

REP. GARBIN. Thank you, Mme. Speaker.

On the part of the Minority, Rep. Orestes T. Salon as member of the Committee on Local Government.

THE DEPUTY SPEAKER (Rep. Cayetano). It is noted.

REP. GARBIN. Thank you.

REP. MARCOLETA. Mme. Speaker.

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

REP. MARCOLETA. May we recognize again the Hon. Edcel C. Lagman to continue on his interpellation.

CONSIDERATION OF H.B. NO. 8083

Continuation

THE DEPUTY SPEAKER (Rep. Cayetano). So, we resume the interpellation. Please proceed.

The Sponsor is also recognized.

REP. CUA. Thank you, Mme. Speaker.

REP. LAGMAN. Mme. Speaker, with corporations qualifying in a new round of incentives, what is the new revenue loss?

REP. CUA. Mme. Speaker, distinguished colleague, it is very difficult to have an approximation of the possible revenue loss because we instilled an option for the investors to renew their investments package— incentives package under the new system.

REP. LAGMAN. I can understand the difficulty. But will the distinguished Sponsor agree that definitely there would be revenue loss with new exemptions granted to those who would qualify.

REP. CUA. Yes, it is very possible, Mme. Speaker.

REP. LAGMAN. When a corporation loses its tax incentives, its gross income may be lesser and its operating cost could be bigger. Is that correct?

REP. CUA. Mme. Speaker, when a corporation loses its incentives, the tax treatment is the net effect, Your Honor. Their revenues may or may not be lower but their tax liability may be higher.

REP. LAGMAN. Higher. So, that would be the business or economic impact on a corporation's losing its tax incentives. Could this result, Mme. Speaker, distinguished Sponsor, to some retrenchment of personnel and employees?

REP. CUA. It is, it is always a possibility for an investment to retrench their employees, and therefore, given the dynamic nature of an investment, yes it is possible, Mme. Speaker.

REP. LAGMAN. Is there any estimate from the sponsoring Committee or the Department of Finance on what would be the possible magnitude of such a retrenchment?

REP. CUA. Mme. Speaker, again, it is very difficult to make a guess as to the economic decisions that will be undertaken by the investors or these companies.

REP. LAGMAN. Okay. Under Section 301, the

President is granted—is empowered to grant incentives. Is that correct?

REP. CUA. Yes, Mme. Speaker, distinguished colleague.

REP. LAGMAN. Is this presidential grant of tax incentives effectively a grant of tax exemption?

REP. CUA. Yes, Mme. Speaker. Under this Section, the President is given authority to grant incentives depending on whether or not certain conditions are met.

REP. LAGMAN. With this provision under Section 301, translating to a tax exemption, what is its effect on voting requirements in the plenary of this tax measure?

REP. CUA. May I seek clarification on the question, Mme. Speaker, distinguished colleague? The question is on the impact on the voting requirement of this august Chamber. Is that correct?

REP. LAGMAN. Yes. I understand that when a bill proposes a tax exemption, there is a different voting requirement in the plenary. Is that correct?

REP. CUA. I am not aware of such, Mme. Speaker, and would like to be enlightened or consult the Majority Leader, perhaps, if there is such.

REP. LAGMAN. Can we consult the staff of the sponsoring Committee if, in case of a bill which includes a tax exemption, there is a different voting requirement?

REP. CUA. Mme. Speaker, accordingly, the requirement would be the affirmative votes of the majority of all Members.

REP. LAGMAN. Yes. It is an absolute majority.

REP. CUA. Yes.

REP. LAGMAN. To pass such a measure which would include tax exemption, Section 301 is a delegation of legislative powers to the President and in order to be valid and constitutional, there must be definitive standards to constitutionalize delegation of legislative authority. May we know under the proposed measure, what are these definitive standards?

REP. CUA. Under the Bill, Mme. Speaker, distinguished colleague, it is spelled out in Section 301-A which, if I may be allowed to read, is the Criteria for Availment.

The Board of Investments shall consider the following criteria in determining the types of incentives and the duration thereof that may be granted.” states:

(A).The Project has a comprehensive sustainable development plan with clear inclusive business approaches and innovations; or

(B).Minimum investment of Five Hundred Million US Dollars (US\$500,000,000) or a minimum direct employment generation of at least one thousand five hundred (1,500) within three years from the start of commercial operation.

The threshold shall be subject to a periodic review every three (3) years taking into consideration international standards and other indicators.

The BOI may impose other terms and conditions taking into consideration the amount or kind of incentives that will be granted to such investments.

REP. LAGMAN. Well, those are the criteria for availment. That is not the standard, the objective—the standards required for the President to exercise a delegated legislative power.

REP. CUA. Mme. Speaker, distinguished colleague, upon consultation, the standards, by which a President may exercise legislative power or delegated legislative power, are two tests which are the standards test or the sufficient standard test and the completeness test.

REP. LAGMAN. Well, are those provided, specifically, in the proposed measure that these are the standards under which the President could exercise a delegated legislative power?

REP. CUA. Upon consulting with the staff in the Department of Finance, Mme. Speaker, it seems that it is not spelled out in the Bill and we will be—and this Representation will be open to recommendations on how to improve such.

REP. LAGMAN. Well, I am just trying to cleanse the Bill of some infirmities, that is why I am asking these questions.

REP. CUA. By such, Your Honor, we take note of an oversight that needs to be corrected and we thank you for pointing out such.

REP. LAGMAN. Well, at the proper time, we could agree on some possible amendments.

REP. CUA. Yes, at the appropriate period, Your Honor.

REP. LAGMAN. So, pending the consideration of this measure for purposes of Committee or individual amendments, I am terminating my interpellation and thank you for accommodating my questions.

REP. CUA. Thank you, Your Honor. Thank you, Mme. Speaker.

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

REP. SALO. Mme. Speaker, I move that we recognize Cong. Victor A. Yap from the Second District of Tarlac for his interpellation.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). Representative Yap is recognized.

Please, proceed.

REP. YAP (V.). Thank you, Mme. Speaker, distinguished Gentlemen, Chairman of Ways and Means.

I just would like to be clarified on certain questions regarding the TRABAH0 Bill or the Part 2 of the TRAIN Law. Why is the current tax regime that we have right now overly complex and how many laws govern the current fiscal incentives regime?

REP. CUA. Well, Your Honor, Mme. Speaker, currently, there are 315 incentive laws 123 of which are investment related, 192 of which are non-investment related, and all these laws now govern our fiscal incentives regime, which give rise to complexity.

REP. YAP (V.). Thank you for that answer, Mme. Speaker.

So, under that regime, did our FDI or Foreign Direct Investments and Exports improve or is it improving under that current incentive regime?

REP. CUA. We believe, Mme. Speaker and distinguished colleague, that, although it has attracted some investments, it is not as effective as designed or desired to be, so parang may kulang pa po siya, Mme. Speaker.

REP. YAP (V.). So, how does the TRABAH0 Bill seek to simplify the fiscal incentive regime?

REP. CUA. For one thing, Mme. Speaker, gagawa po tayo ng isang framework and menu, and this will be uniform among all the investment promoting agencies. At the same time, we are making the system more transparent and targeted in order to incentivize the right sets of industries and behaviors in investment.

REP. YAP (V.). That includes the reduction or the expected impact on BPO and contact center operations. Do you have a study or estimate more or less that impacts that and ...

REP. CUA. Well, I recall that in one of the Committee hearings, Mme. Speaker, Undersecretary Chua of the Department of Finance gave us a cost-benefit analysis of the industry, and that is what we have used so far.

REP. YAP (V.). This Representation would like to specifically hear right now because being the Chairman of the ICT Committee, this will really have an impact on how I, together with other colleagues, would stir the growth of other industries related to IT or other programs under IT that will give jobs to our people.

REP. CUA. Your Honor, the study is available here and we would gladly share it with the Chairman of the ICT Committee.

REP. YAP (V.). Okay. Thank you.

If the TRAIN Law is expected to be, say, passed at the end of the year, do the safeguard measures or mitigation measures—are they included already not only in the law, but in the 2019 Budget? Immediate kasi iyong—and training would take quite some time before our people would be able to retool themselves.

REP. CUA. Mme. Speaker, distinguished colleague, this amendment, set of amendments in the earmarking provision came in at the TWG level, a point when the budget has already been submitted to this Chamber. So, hindi pa po siya reflected doon sa current language of the budget, and therefore, necessarily, we have to propose amendments to the 2019 proposed Budget.

REP. YAP (V.). I hope that we act quickly in case the passage of the TRABAHO Bill is expected late this year or even early next year.

I heard the good Sponsor, my colleague, mention about parity and there is parity in relation to the tax regime that we have with other countries. But let us start first with what we have here in our country, and somehow, I am still in a quandary whether to understand rightfully that the parity that we have for corporations will be the same for small as well as large businesses? Will it be from 30 down to 20 percent, whether big or small?

REP. CUA. That is correct, Mme. Speaker, distinguished colleague.

REP. YAP (V.). However, we practice a regime of taxes for personal—not the same. We have a graduated

type of tax and ang tanong lang doon is, how come corporations would enjoy lower tax rates than people when ang useful life ng corporations, especially those that you intend to incentivize, may stand for 50 or a hundred years when the productive life of person may be much less?

REP. CUA. Your Honor, I think the overall principle there is that for the personal income tax, ang gusto kasi natin ay maging progressive siya which means the more you earn, the more you pay. Whereas in corporations, ang principle diyan ay level playing field and those are the ones that we want to compete with other corporations in other countries kaya po uniform rate siya for CIT.

REP. YAP (V.). Does that mean ang corporation ay some kind of a different person na pagdating sa bagay na iyon, arena na iyon. Mayroon kayong mine-mention kanina na maliit na kompanya as against sa malaking kompanya. Ganoon di ba? And sinasabi ninyo naman na iyong mga matatagal nang nakakakuha ng mga incentives following that direction or logic ay matagal na sila kaya dapat i-tax na. Parang hindi ko makita na ang parity ay parehas doon sa pagtrato between individuals and corporations.

REP. CUA. Mme. Speaker, doon sa individuals naman, the income tax rate can go as low as 15 percent on their personal income. Itong corporations have one rate for all corporations as is also the practice of our neighbors dahil again, ang ekonomiya natin na pandaigdigang, I mean, ang ekonomiya ngayon ay pandaigdigang na at hindi na lamang limited to our own economy.

REP. YAP (V.). So, indeed, naaral na ng ating Department of Finance na ang ibababang tax rate ng mga korporasyon ay makakabuti sa ekonomiya, at the same time, parehas sa ibang bansa at iyong ating fiscal incentives sa mga matatagal nang exporters, matatagal nang ano, would not have a negative impact on jobs o iyong future competitiveness ng ating bansa with respect to creating more jobs especially because we are a very populous nation, Mme. Speaker.

REP. CUA. Iyan po ang resulta ng pag-aaral ng DOF at iyan po ang kanilang isinumite sa ating Committee at dito sa plenary.

REP. YAP (V.). Maaari po bang mahingi iyong kopya ng mismong study?

REP. CUA. Of course, Mme. Speaker. We will readily copy furnish the Chairman of the ICT Committee.

REP. YAP (V). Panghuli, Mme. Chair, gusto ko na lang na itanong nang simple, so sa anu-anong mga probisyon mismo talagang makikita—how do we see that true to its name, this would create jobs for our people; that this Bill will, thus, create jobs for the people in the future, specific instances on the Bill?

REP. CUA. Mme. Speaker, it is very evident that the spirit of the Bill is all about bringing competitiveness and investments to our economy. Alam naman natin na kailangang hikayatin ang investment para tayo ay makapanghikayat ng trabaho. The overall intent na ibaba ang corporate income tax at i-modernize ang fiscal incentives, each of these provisions will result in the creation of jobs.

REP. YAP (V.). In a study, this will not result into the creation of more income in terms of taxes.

REP. CUA. Sa original design, Mme. Speaker, it was a revenue-neutral measure.

REP. YAP (V.). I see. Given that, Mme. Speaker, this Representation is satisfied, and who else do we turn to in terms of giving us the expertise and advice in terms of fiscalizing our incentives regime, kung saan nabanggit nga po ninyo na dati-rati ay magulo. Kung talagang gusto nating maging mas maayos at mas madaling basahin ng ating foreign investors, ganoon na rin ng ating local companies, naniniwala ako na definitely, taxes are very regressive to small companies definitely and reducing that over a period or until 2029, pati iyong maliliit na kumpanya ay talagang uusbong ang entrepreneurial size, not only the 99 percent ng ating negosyo are small entrepreneurs, nakikita ko na mas marami ang lalago dito.

Ito ay magiging isang pamamaraan, Mme. Speaker, na kung saan, kung mayroon mang kakulangan doon sa supply of jobs from formal companies, magkakaroon naman ng oportunidad sa mga iba't ibang mga butas na hindi nakikita ng ating sector because of a better tax regime.

Mme. Speaker, thank you very much, and I also thank the Sponsor for answering my questions.

REP. CUA. Thank you din po.

THE DEPUTY SPEAKER (Rep. Cayetano). Thank you.

The Majority Leader is recognized.

REP. SALO. Mme. Speaker, I respectfully move that we recognize Rep. France L. Castro from the Party-List ACT TEACHERS for her interpellation.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). Representative Castro is recognized.

Please proceed.

REP. CASTRO (F.L.). Thank you, Mme. Speaker. Few questions lang po sa ating Sponsor. I know you have been standing there for how many hours na, pero hindi po ako matunawan sa pagtawag sa Bill na ito as TRABAHO Bill. In fact, talagang magkakatanggalan ng trabaho kaya nga may Section 312, iyong Structural Adjustment Fund na sinasabi natin.

Mayroon pong P26 billion earmarked for job losses? Tama po ba, Mr. Sponsor, Mme. Speaker?

REP. CUA. Opo.

REP. CASTRO (F.L.). Ang P26 billion po ba included na sa budget?

REP. CUA. Hindi pa po na-reflect ito dahil noong ipinasok itong amendment during the TWG, naipasa na ng DBM ang budget sa Kongreso. So, tungkulin na po nating ayusin ito.

REP. CASTRO (F.L.). Okay. Mukhang sa 2019 na Budget po ay baka hindi pa ito mailagay, paano na iyong mga mawawalan ng trabaho? Nandito, Mme. Speaker, Mr. Sponsor, mayroong P500 million to be appropriated annually, mga adjustment fund appropriated under the budget of the DOLE to provide targeted cash grants for other support programs to displaced workers. Sa study ng DOF, ilan po ba ito, Mme. Speaker, Mr. Sponsor? Hindi ba maliit ang P500 million?

REP. CUA. Sa totoo lang po, sa estimate ng DOF, wala pong na-forecast na job losses. Ito ay isang safety measure just in case na magkaroon ng job losses for whatever reason.

REP. CASTRO (F.L.). Okay. Kung tutuusin po, itong P500 million na sinasabi natin to mitigate nga sa ating mawawalan ng trabaho ay masyadong maliit kung ikukumpara natin sa milyon na mawawalan ng trabaho kapag ipinasá natin itong TRAIN 2, Mme. Speaker. Hindi po katibayan na sa pagpapababa ng corporate income tax na puwede ito mag-create ng trabaho. In fact, mayroon pong pag-aaral ang World Economic Forum noong 2017. Ano ba iyong nagda-drive sa mga corporation para mag-invest dito at ano ba ang mga dahilan? Hindi po iyong lack of incentives ang nagiging problema pero ang number one ay iyong inefficiency of the government bureaucracy; two, inadequate supply of infrastructure; three, corruption; four, the tax regulations; and five, the tax rates. Kumbaga sa priority, Mme. Speaker, Mr. Sponsor, iyong tax rates ay kagaya nga ng nabanggit ni Congresswoman Arlene kanina na hindi ito iyong kahilingan ng ating investors. In fact, happy na nga sila sa current special rates, incentives at napakababang ETR. Iyan po ang isa pero hindi ito makakapag-provide ng trabaho.

Pangalawa ay iyong amount na P500 million ulit para po sa mga targeted trainings ng displaced workers or firms that may be affected. So, may target na rin po ba tayo dito? Ano na po ba iyong skills and trainings na ipoprovide natin?

REP. CUA. Ito pong amount nasa number three, under Section 312, this is to address the situation. Sorry, number two po pala tayo ngayon.

REP. CASTRO (F.L.). Number two, Mme. Speaker, Mr. Sponsor.

REP. CUA. Opo. Ang ina-address nito ay magkaroon ng skills training ang ating mga manggagawa para sila ay puwedeng mag-upgrade sa mga trabahong puwede nilang pag-apply-an. Ito pong number two ay ang P500 million na kailangan natin maibibigay sa workers just in case na mawalan sila ng trabaho, para sila ay makalipat sa bagong industriya o bagong trabaho.

REP. CASTRO (F.L.). Ito po bang number one and number two ang target nito ay parehas, kasi cash grants iyong number one at training ang number two. Are we talking of the same targeted displaced workers or puwede ring magkaiba?

REP. CUA. Puwede pong magkaiba, Mme. Speaker.

REP. CASTRO (F.L.). Number three po, Mme. Speaker, Mr. Sponsor, itong P5 billion para sa mga BPO. Ibig po bang sabihin, inaamin ng proposed Bill na ito na maaapektuhan din greatly ang BPO industry kapag ito ay naipasá?

REP. CUA. Sa number three, ito po ay isang paghahanda natin dahil ang global trend ngayon ay pumapasok na ang mga artificial intelligence. Noong nakaraang linggo po may nabasa akong article na sinasabing milyun-milyong trabaho ang mawawala dahil sa chatbots na papalit sa mga Filipino call centers, Indian call centers, at Vietnamese call centers. So, ito pong P5 billion ay isang paghahanda para ang ating call center agents ay mag-transition to higher value business process outsourcing activities tulad ng digital arts, tulad po ng medical transcription at iba't iba pang higher level business process outsourcing.

REP. CASTRO (F.L.). Okay. Ang tingin ko po sa number four, ang P5 billion is in addition to any adjustment appropriated under the budget pertinent to government department agencies. Development po ito ng infrastructure sa economic zones. Ito pong napakalaking halaga ay parang hindi naman yata makikinabang dito ang ating workers. Bagkus, iyong mga nasa ecozone po na karamihan naman ay foreign investors, so

mas pinadali pa natin ang kanilang, kumbaga doing business here. Ano po ang comment ninyo dito?

REP. CUA. Thank you po sa inyong katanungan. Ang tingin po natin, tulad ng inyong nabanggit sa isang pag-aaral ng World Economic Forum, kakulangan sa infrastructure ang isang mataas na dahilan na hindi nag-i-invest sa Pilipinas ang mga investor. Ito ang mag-address partially sa problemang ito upang ang investors ay maimbitahan nating magpunta sa mga lokasyon na malayo sa Metro Manila. Para sila ay magpunta sa mga lugar na medyo may kalayuan, lalagyan po natin ng infrastructure.

REP. CASTRO (F.L.). Paano po tayo makakatiyak na iyong foreign investors ay, halimbawa, pupunta sa Mindanao, pupunta sa Visayas, wherein the gravity ng lahat ng investments ay nandito sa Luzon? Parang masyadong magiging—ano ba iyong projection ng study natin kung kailan ito mangyayari? Kasi for so many years na po, dito naka-concentrate iyong mga business, mga investments sa NCR at sa Luzon?

REP. CUA. Kung atin pong babasahin ito, ang nakalagay sa number four under line 22—THIS SUBSIDY SHALL LIKEWISE BE UTILIZED TO SUPPORT RESEARCH AND DEVELOPMENT, COST OF POWER, WATER AND OTHER UTILITIES, LEASE OF PROPERTIES AND OTHER ECONOMIC ACTIVITIES RELEVANT TO DEVELOPING THE ABOVE MENTIONED AREAS AND LOCALITIES. Nakikita kasi nating mataas ang kuryente sa ibang parte ng Pilipinas o mataas ang lease of property. Diyan po. Ito pong pondo ay puwede nating gamitin upang i-target ang assistance sa mga investor na siyang naghahanap ng tulong mula sa gobyerno.

REP. CASTRO (F.L.). Nabanggit ninyo kanina, Mr. Sponsor, Mme. Speaker, na gusto nating maging competitive sa other Asian countries in terms of tax rate. Gusto nating ipantay iyong 20 percent na tax rate, pero na-consider po ba natin sa pag-aaral na iyon ang kanilang efficiency? Nakita natin iyong efficiency of collection or revenue productivity ng iba't ibang bansa as of 2016. Halimbawa po ang Vietnam, 35.6 percent ang kanilang revenue productivity; ang Malaysia, 25.2 percent; ang Thailand, 20.1 percent; tayo po 12.3 percent; at ang China, 15.8 percent. Na-consider din po ba natin iyong ating revenue productivity? Baka kasi puwede ritong makuha rin natin sa tax efficiency ang revenue na sinasabi o kailangan natin, hindi ba?

REP. CUA. Tama po naman ang inyong nabanggit at sang-ayon tayo. Sinususugan din natin ang ating BIR at Bureau of Customs na ayusin rin po ang kanilang collection efforts para humabol tayo sa efficiency.

Ganoon pa man, kailangan po natin ng combination ng administrative—which is ang pagkolekta at ang policy, which is ang ginagawa nating pag-ayos sa ating tax structure.

REP. CASTRO (F.L.). Okay. Sinasabi natin, Mme. Speaker, Mr. Sponsor, na ang malalaking corporations ay mababawasan ng tax up to 20 percent dahil the same sila with the MSMEs? Ang ibig sabihin, mas makikinabang ang mga MSME dito sa TRAIN 2 or TRABAHO Bill. Mayroon po ba tayong pag-aaral kaugnay nito doon sa sinasabi nating libu-libong mga MSMEs na puwede pong makinabang dito? Mayroon na ba tayong mga listahan na pino-project natin na magbe-benefit dito?

REP. CUA. Basically, Mme. Speaker, lahat po ng MSME o lahat ng taxpayer ng corporate income tax ang magbe-benefit dito.

REP. CASTRO (F.L.). Pero, hindi po ibig sabihin nito na exempted sila sa rationalization ng tinatawag nating tax incentives.

REP. CUA. Opo. Ang rationalization po ng incentives will cut both ways. Tatamaan ang parehong malalaki at ang maliit na kumpanya. Pero, in the same way, parehong malaki at maliit na kumpanya ay maaaring mag-renew ng incentives kung sila po ay karapat-dapat.

REP. CASTRO (F.L.). Okay. So, hindi rin po natin kino-consider dito, Mme. Speaker, Mr. Sponsor, iyong pag-iiba, pagdi-differentiate ng mga industry sa sinasabi nating both for corporations and MSMEs. Ibig kong sabihin, halimbawa po, ang suggestion, puwedeng bawasan o dagdagan ang incentive ng mga industriya o mga MSME na nagke-cater sa pagmo-modernize ng ating agriculture and, of course, with the incentive din para sa industrialization ng ating ekonomiya.

REP. CUA. Yes, Mme. Speaker.

REP. CASTRO (F.L.). So wala pong pagkakaiba sa mga industry, lahat?

REP. CUA. Mayroon po tayong inilagay na special bias towards agriculture, Mme. Speaker, distinguished colleague, na kapag ang investment ay sa larangan ng agrikultura—obviously, wala naman sa Metro Manila niyan kung hindi sa labas—itong investments na ito ay may karagdagang incentives, from five years to seven years. Iyon nga po, dahil gusto rin nating pagandahin ang ating agriculture sector.

REP. CASTRO (F.L.). Okay. Ang last set of

questions po ay tungkol sa pagbibigay ng tax o preferential rate for schools and hospitals.

Ipinasok sa framework ng investment incentives, business and entities na ito, which should not be operating for business, halimbawa, katulad ng schools and hospitals due to their services. May tinatawag dito na “performance criteria” to be imposed by the DOH, the CHED and the DepEd, not for regulation, but for viability of the school hospitals as an investment. Kaya sila binigyan ng preferential lower rate, in the first place, and because they operate as a service-oriented sector even though they are proprietary. The preferential rate is a small recognition of the reality that higher operation costs for the corporation will surely translate to higher fees to the end-user.

Mme. Speaker, Mr. Sponsor, ano po ang magiging laman nitong tinatawag nating “performance criteria” na ilalapat natin sa DOH, CHED at DepEd, at ano po iyong relationship or correlation nito sa SIPP?

REP. CUA. Sa nabanggit ninyo, dito po sa schools and hospitals, kakaunti lang ang maaapektuhan dito kagaya ng mga for profit, o iyong para sa kita ng pribadong schools and hospitals. Ang criteria po ay buuin ang level of accreditation for the private schools. Mayroon itong licensure exam performance at faculty with graduate degrees. Ito ang mga criteria para sa schools.

REP. CASTRO (F.L.). How about the hospitals, Mme. Speaker, Mr. Sponsor?

REP. CUA. Sa hospitals po, dina-draft pa rin ng ating Department of Health kung ano naman ang magiging criteria doon.

REP. CASTRO (F.L.). Okay. Sige. Puwede po bang malaman, halimbawa sa hospitals, anong mga criteria ang puwedeng magkaroon?

REP. CUA. Ang isang puwede diyan ay iyong International Standard Organization accreditation or ISO. Iyong kanilang quality of medical practitioners is another among many other factors that the DOH will prescribe.

REP. CASTRO (F.L.). So, ano po iyong correlation o relasyon nito sa SIPP?

REP. CUA. Well, hindi po siya related sa SIPP. Ito lang po ay makikita natin sa Tax Code as a provision there for the profit of schools and hospitals.

REP. CASTRO (F.L.). Okay. Thank you, Mr. Sponsor.

REP. CUA. Ang dahilan po diyan ay kasi nakikita

natin, ang iilan lang naman na malalaki for profit of schools and hospitals na nagbibigay ng malaking dibidendo sa shareholders habang hindi nag-i-improve ang kanilang service.

REP. CASTRO (F.L.). Okay.

Mme. Speaker, Mr. Sponsor, alam natin na napaso ang ating mga mamamayan tungkol doon sa TRAIN 1 kasi ang ipinangako natin na kaunti lang ang magiging impact nito doon sa inflation at sa mga iba pa pong mga produkto ay hindi nangyari. Kagaya nga ng kasabihan, “The taste of the pudding is in the eating.” So, iaano na naman po natin ito sa ating mga mamamayan. Matitingnan na naman natin iyong magiging epekto nito sa ating mga mamamayan and, for sure, sa Kinatawagang ito, magdudulot ito ng grabe na naman ang impact lalunglalo na po doon sa kawalan ng trabaho habang ang mga malalaking corporation po ay nakikinabang sa pagliit ng tax at nakikinabang sa kanilang kita dito sa Pilipinas.

So, Mme. Speaker, Mr. Sponsor, thank you po.

REP. CUA. Maraming salamat po.

THE DEPUTY SPEAKER (Rep. Cayetano). The Presiding Officer would like to just put on record a brief commentary.

I was in China for the Smart Expo and there was a lot of discussion on artificial intelligence, and no less than Jack Ma recognized that everybody is afraid of artificial intelligence. However, he said that we should not be afraid because human experience can never be replaced by artificial intelligence.

I would like to put that on record as a call to the DOF, being the lead agency behind this Bill, to work with our other agencies to ensure that the services that the Filipinos are very well known for are even further enhanced through our senior high schools, colleges, universities and TESDA because that is the only way that we can really take advantage of the technologies that will be available. I will ask the Sponsor to ensure that the DOF takes note of that and works to address the concerns of our colleagues.

Thank you.

REP. CUA. Definitely, Mme. Speaker, your input is very well taken and rounded with sound advice.

Thank you, Mme. Speaker.

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

REP. SALO. Mme. Speaker, for our last interpellator, may I respectfully move that we recognize Rep. Ariel “Ka Ayik” B. Casilao from the Party-List ANAKPAWIS for his interpellation.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). Representative Casilao is recognized.

Please proceed.

REP. CASILAO. Thank you, Mme. Speaker.

Will the distinguished Sponsor answer some few questions na lang kasi my colleagues in Makabayan have already raised important questions?

REP. CUA. Sighe po.

REP. CASILAO. Before I start my question, mas limited ako doon sa framework sa aspect ng agriculture and labor. Pero, is it not this is like a *deja vu* when we discussed and deliberated prior to the voting of TRAIN 1?

As Congressman Zarate said, there were promises made on the benefits that we will be reaping after the enactment of TRAIN 1; however, the government agencies themselves are the ones confirming. For example, the rise of unemployment rate that reached to 10.9 million as of March 2018, the unexpected 5.7-percent inflation rate, while during the deliberations on TRAIN 1, the economic managers were only projecting 4 percent, but in actuality, it reached an alarming level of 5.7 percent. Sa totoo naman talaga na iyong mga nagtaasang mga presyo while you made mention kanina na marami naman pong factors, for example, iyong pagtaas ng presyo ng petrolyo hindi lang po sa TRAIN 1, and ako nga, ang tingin ko nga, nakaranas tayo ng double whammy. While ang galaw ng pandaigdigang merkado sa usapin ng petrolyo ang siyang isang pangunahing perpetrator, nadagdagan pa ito at pinalala pa noong pagpapatupad ng TRAIN 1.

Now, I am just curious, distinguished Sponsor, dahil nito sa mga nagkaroon ng—at alam mo iyan na nakakarinig ka rin ng mga reklamo ng tao dahil nga sa pagtaas ng mga presyo ng bilihan. Unfortunately, in one of the public forums na covered, in-invite si Secretary Diokno at sinabi niya, iyong mga umaangal sa pagtaas ng mga presyo ng bilihan—mga crybabies.

For curiosity’s sake, distinguished Sponsor, prior to entering my formal questions on TRABAHO Bill o the TRAIN 2, ano po iyong masasabi nila doon sa pagbanggit ni Secretary Diokno na mga crybabies daw iyong umaangal, iyong pumupuna na ito naman talaga ang isang natural na reaksyon noong tumaas ang mga presyo ng mga bilihan? Do you agree with that opinion of the Secretary, distinguished Sponsor?

REP. CUA. Natanong po ako niyan ng mga kasamahan sa media tungkol sa kanyang statement at ang sagot ko po noon ay sagot ko pa rin ngayon na hindi po ako sang-ayon sa kanyang statement na dapat unawain. In fact, tungkulin natin sa gobyerno na pakinggan ang taumbayan kapag sila ay may problema.

Itong usapin ng pagtaas ng presyo ay hindi dulot ng pagiging crybaby kundi talagang kailangan nating tugunan ang mga problema ng ating taumbayan, at iyon po ang aking pananaw doon.

REP. CASILAO. Ako ay nagpapasalamat sa ganoong pagtingin ng ating kagalang-galang na Sponsor dahil nga bagamat alam ninyo naman na tungkulin ninyong depensahan ang panukalang batas noong TRAIN 1 at dedepensahan iyong panukalang batas nito noong Package 2. But I sympathize and I fully agree with the sentiment also of the distinguished Sponsor.

Now, nabanggit ninyo po kanina nang itinanong ni Congresswoman Castro that there is an estimated o projected P26 billion earmarked for job losses, but iyong sagot ninyo po ay “the economic managers did not project, walang estimate ng job losses.” Ano po iyong assurance natin na walang job losses?

REP. CUA. Mme. Speaker, I received no assurance from the economic managers, obviously, because hindi natin ito maipapangako.

Job losses may occur. Puwede pong mangyari ito, depende po sa kapanahunan at maaaring depende sa maraming factors kaya po nilagyan po ng mga contingency measures for whatever reason na magkaroon ng job losses. Pero iyon po ang ating natanggap na posisyon mula sa ating DOF panel na sa kanilang estimate, hindi po magdye-generate ng job losses ang panukala natin.

REP. CASILAO. Pero if I can remember it right, the Philippine Association of Multinational Companies Regional Headquarters Incorporated or PAMURI warned during the deliberation of this in the Committee level that there will be job losses dahil nga mali-lift na iyong incentives nila.

It is our obligation—well, projection lang naman iyan, but I am not convinced and I think it is not enough for making an appropriation or a proposed appropriation as stipulated in Section 312 of this proposed Bill, for example, the P500 million, the P5 billion and the P15 billion. These are large amounts of public funds. Am I not—am I correct, distinguished Sponsor?

REP. CUA. Tama po.

REP. CASILAO. But obligado po tayo na sa mga kasapi po ng negosyo under the PAMURI, hindi po ba mas maganda na tulad ng pino-project, bagamat nagkakamali iyong mga economic managers in projecting that the inflation rate will be kayang panatilihin sa ganitong 4 percent pero ang actual ay 5.7 percent naman? Pero hindi po ba mas maganda na iyong lubus-lubusin na iyong projection while there is an appropriation? Is there any way that we can

project possible job losses in the degree of hundreds of thousands or a million perhaps, distinguished Sponsor?

REP. CUA. Mme. Speaker and distinguished colleague, puwede po tayong manghula kung gusto nating hulaan ito, ngunit ang hirap po talagang i-project dahil ang magiging decision-makers when it comes to retrenchment o iyong pagkawala ng trabaho ay hindi po gobyerno. Ang magdedesisyon po dito ay ang mga business executives and investors kung sila ay magko-collapse, kung sila ay mag-a-adjust, o sila ay magre-resize ng kanilang investment or ng kanilang kumpanya. So, sana po maunawaan natin na kahit anong kagustuhan nating magkaroon ng forecast dito, ang desisyon po nito ay wala sa ating kamay, kundi nasa kamay ng negosyante.

REP. CASILAO. Iyon na nga ang medyo downside doon, distinguished Sponsor, because these threats are not empty threats and I believe ito iyong ginagawa nilang leverage supposedly to pressure Congress to redefine or to make adjustments on the proposal or in every provision of this proposed Bill.

However, again, ang kinakatakutan ko po ay talagang gawin nila itong rason at dahilan despite iyong question of their financial standing pero preemptive ang gagawin, ika nga, na dahil ipinasá ito, magsa-sample sila at the price of these employees of these companies para ipakita lang na ito na—oo, ito na iyong epekto, to make an artificial situation na magkakaroon ng ganoong senaryo. But again, iyong sinabi nga ni Congresswoman France, “it is in the eating of the pudding.” Ang sabi ko naman, “we will cross the bridge when we get there,” dahil tutungo naman talaga doon.

Ang susunod ko pong tanong ay, does PAMURI, dahil dito sa latest labor force survey iyong majority employment sa percentage, 56 percent ay nasa serbisyo, 18 percent ay nasa industriya, 26 percent ay nasa agrikultura and I believe the businesses under the PAMURI fall greatly on the services and this will be affected, and in fact, magkakaroon ng pagbabago sa ganitong sharing ng contributory o ng indicators of the growth, the so-called economic growth na tinatawag ng ating mga economic managers—do you agree or what is the take of the distinguished Sponsor?

REP. CUA. Kung puwede lang po pakiulit iyong katanungan doon bandang huli?

REP. CASILAO. Dahil nga po sinasabi dito sa layunin ng TRAIN 2 o TRABAHO Bill na magkakaroon ng better and high opportunitites at sabi nga ng PAMURI na mayroon silang fino-forecast na losses within their members na mga negosyo, sa hatian po noong latest labor force survey na sinasabing 56 percent

ng employment ay nasa services, 26 percent ay nasa agrikultura, and 18 percent ay nasa industriya, this will be related to my previous question sa projection that this will be changed entirely in the after effect of the implementation—do you agree or...?

REP. CUA. Sa tingin ko po, Mme. Speaker and distinguished colleague, malayo na po kasi ang ipinagbago ng ating panukala mula sa kanyang unang version when it was filed at aaminin ko na maaaring may kakulangan ang ating gobyerno o ang mga framers ng ating panukala sa pag-communicate ng panibagong version.

Unti-unti po kasi sa mga pagda-dialogue natin sa mga iba't ibang negosyante at namumulat na ang kanilang isipan na maaari naman palang mas maganda itong ipinapanukala natin. Kaya nga po sa pag-observe natin, mayroon na po tayong mga nalilikom na supporters para sa ating panukala at nagugustuhan na nila iyong ating pino-propose na Bill. Ganunpaman, kung mayroon pa rin sigurong agam-agam iyong PAMURI ay puwede pa rin naman siguro itong ma-improve. Hindi pa lang po natin alam kung anong specific na changes ang kanilang gustong mangyari.

REP. CASILAO. Thank you, Mme. Speaker, distinguished Sponsor.

If there is no projection of job losses, is there a projection of job generation borne out of this proposed Bill?

REP. CUA. Again, Mme. Speaker, I regret to inform our colleague na wala po tayong projection of job creation kasi nga po ang decision-makers ay hindi po tayo. Ang atin lang ginagawa ay nag-e-establish ng magandang environment para sila ay mamuhunan at mag-create ng jobs dito.

REP. CASILAO. Iyon na nga ang nakakalungkot, Mme. Speaker, distinguished Sponsor, because the rephrasing of the title of the Bill—Tax Reform for Attracting Better and High Quality Opportunities—in layman's term, the immediate effect as promised in the Bill is "to provide opportunities, which includes job creation or job generation." But it is unfortunate that the proponents cannot present statistical data as to a possible or a projected job creation or job generation. Because kung wala po palang maipapangakong better—attracting better and high quality opportunities, saan po ito pupunta kung wala pong makukuhang—let me be on the definition of laymen, mga karaniwang tao. Mahirap ho iyong sabihan tayo ng ganitong istatistika, 30 percent o 20 percent. Doon po tayo sa ano lang, iyong mindset ng karaniwang tao na kinakatawanan ng ating mga Kinatawan. Kung sa direktang tanong, ano po ang benepisyong makukuha natin if the proponents

cannot project job losses? Dapat mayroong measures na inihahanda. Of course, ang isang mahalaga at karaniwang tanong ng tao, ano po iyong makukuha natin? Please refrain from presenting or answering statistics. Iyong malapit po sa sikmura ng ating taumbayan.

REP. CUA. Siguro, if I may share the—anong tawag dito, estimate po ng DOF at ng PSA, aaminin ko po, very rough ang ating estimate, but ang estimate dito, kapag bumaba ang ating corporate income tax rate by 29 from 30 percent, this will create 87,000 jobs, assuming, of course, lahat ng savings ng kumpanya, ng mga taxpayers ay ibubuhos nila sa pag-create ng bagong trabaho. Kapag umabot na tayo sa 20 percent na corporate income tax rate, ang trabahong malilikha nito ay nasa 876,000 new jobs.

REP. CASILAO. Please provide this Representation a copy, distinguished Sponsor, and I will remember this date, this time of the day or the night, it is 8:40 p.m., na ganoon iyong projected dahil sa panahon po ng pagsisingilan time, as usual sa mga ipinapasang batas at iyong post-effect nito, ay may pagbabatayan po tayo.

Last two questions, distinguished Sponsor. Dito po ba sa incentive adjustment sa agriculture, sa Section 295, incentives para sa agribusiness na tutukuyin ng Strategic Investments Priority Plan, does this mean na ito iyong mga high-value crops tulad ng saging, pinya, oil palm, goma? What about our food crops like bigas, at palay, corn, gulay? What are the specifics of this provision? Please educate this Representation.

REP. CUA. Yes, Mme. Speaker, distinguished colleagues, lahat po iyong mga nabanggit ninyong mga high-value crops and other crops are all in the Strategic Investments Priority Plan, which means sila po ang mga industriya na papasok o maaaring tumanggap nitong incentives na ito bukod po sa kasalukuyan na ang lahat ng agri-products ay VAT-free.

REP. CASILAO. Yes. Again, allow me to register my reservations regarding that provision because alam naman natin ang nangyayari ngayon.

It is just unfortunate that in this particular section, it seems that the intention of the Bill will likely favor agribusinesses, although uniform naman siguro ano, wala naman sigurong pagkakaiba, uniform naman sa lahat pero iyong disadvantaged position ngayon, tulad na lang ng palay at ng gulay, ngayon na tinatamaan ng matindi sa inflation, the opinion of this Representation is this will add up to the impact or effect.

Lastly, distinguished Sponsor, ito pong sa Section 296, binabanggit nito ang incentives sa mga lugar na malalayo or less developed areas. Ang lumalaro po sa aking isipan, naalala ko po iyong binanggit ni

Pangulong Duterte na iyong indigenous communities na may mga ancestral domain claims, para ma-develop ninyo ang kalupaan ninyo, mga lupaang-ninuno ninyo, he will find investors. In fact, it was very clear, foreign direct investments. Again, is that what the Sponsor is thinking? Iyon din po iyong nasa isip ng pangunahing Sponsor?

REP. CUA. Salamat sa tanong. Ito pong 296 ay, tama po, it is for less developed areas o iyong tinamaan ng bagyo, o iyong tinamaan ng armed conflict. So, ito po ang isang pamamaraan para matulungan natin silang umunlad ang kanilang community. Tama po iyong sinabi ninyo na maaari dito ang mga indigenous lands.

REP. CASILAO. I have no more questions, Mme. Speaker. Thank you very much distinguished Sponsor.

REP. CUA. Salamat po.

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

REP. SALO. Mme. Speaker, I respectfully move that we recognize the Deputy Speaker Sharon S. Garin for her manifestation.

THE DEPUTY SPEAKER (Rep. Cayetano). Deputy Speaker Garin is recognized.

REP. GARIN (S.). Mme. Speaker, this is not an interpellation; this is just a manifestation coming from the agriculture sector.

Out of the 2,400 entities that availed of the incentives, only 5 percent or 6 percent are from the agriculture sector. Out of the P301 billion that we give out for incentives, only 5 to 10 percent of that comes from the agriculture sector, in which the agriculture sector is one of the most important and, probably, the most important sector in dire need of incentives. Hence, I commend the distinguished Sponsor for the rationalization of the fiscal incentives because we have to rationalize. We have to eradicate those who are not deserving of such incentives. We have to adjust our incentives, so that it is responsive to the needs of our industries. Give them incentives, not just tax breaks. If they hire more, give them more incentives, not just an income tax holiday for an immeasurable number of years. Give them a tax holiday and give them tax incentives if they train their employees. Give them tax incentives if they reinvest or recapitalize. If it is good for the country, then, we give them tax incentives, but we have to rationalize because we have more than 300 laws for incentives and it is not as effective as it seems

to be. So, we need this law. I hope, our colleagues, along with the distinguished Sponsor, can pursue a much better, much rational tax incentives scheme in the Philippines so we can attract more investors because we have a very stable and very responsive tax incentives system in the Philippines.

So, thank you very much for this, distinguished Sponsor. Thank you, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). Thank you, Deputy Speaker Garin.

If I may just add to that also, and if the Sponsor will take note, at the appropriate time, perhaps, Deputy Speaker Garin and I can work on an appropriate amendment to ensure that reinvestment is also made in senior high schools because that is where the training is supposed to happen. In other countries, companies directly invest to provide machines, technical know-how, so the senior high graduates will be job-ready. That could be a concrete expectation that we can put on the manufacturers who may want to avail of the incentives. At the proper time, I will ask the Deputy Speaker to help me come up with some kind of amendment to that to support her position.

Thank you.

REP. CUA. Well taken, Mme. Speaker.

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

REP. SALO. Mme. Speaker, there being no other Member who wishes to interpellate the Sponsor, I move that we terminate the period of sponsorship and debate.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). Is there any objection? (*Silence*) The Chair hears none; we now terminate the period of interpellation—ah, terminate for today or terminate? Sorry.

REP. SALO. Sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Cayetano). Terminate, okay.

REP. SALO. The sponsorship and debate.

THE DEPUTY SPEAKER (Rep. Cayetano). So, the period of sponsorship and debate is terminated.

SUSPENSION OF CONSIDERATION
OF H.B. NO. 8083

REP. SALO. Mme. Speaker, I respectfully

move that we suspend the consideration of House Bill No. 8083 under Committee Report No. 818.

I so move, Mme. Speaker.

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

ADJOURNMENT OF SESSION

REP. SALO. Mme. Speaker, I move that we adjourn

the session until tomorrow, September 4, 2018, at three o'clock in the afternoon.

I so move, Mme. Speaker.

THE DEPUTY SPEAKER (Rep. Cayetano). Is there any objection? (*Silence*) The Chair hears none; the session is adjourned until tomorrow, September 4, 2018, at three o'clock in the afternoon.

It was 8:48 p.m.

