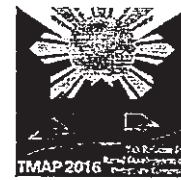




**TAX MANAGEMENT ASSOCIATION
OF THE PHILIPPINES, INC.**



2016 TMAP NATIONAL ELECTION TAX SURVEY

Instructions: Mark the appropriate box with an X.

Name of Candidate DICK GORDON Position Senator Party Bagumbayan / Independent

A. Comprehensive Tax Reform

		YES	NO	Remark(s) (if any)
1.	The last comprehensive tax reform program in the Philippines was in 1997, almost 20 years ago, would you institute moves for a genuine comprehensive tax reform?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
2.	Do you think it should be a priority of government?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

B. Adjustment of Personal Income Tax Bracket

3.	The present personal income tax brackets (Section 24 A 2) in our Tax Code have not been adjusted since 1987 to take into account the changes in the consumer price index over the past 29 years. Will you support the immediate adjustment of the tax brackets?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4.	Do you agree that the tax brackets should be indexed and adjustments should be done automatically every three years?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Please see attached remark.
5.	Will the adjustment take place during the first 100 days of the new administration?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Please see attached remark.

C. Income Tax Rates

6.	Comparison of the corporate and personal income tax rates among ASEAN countries would show that the Philippines imposes the highest corporate income tax rate at 30%, and highest effective income tax rate on individuals. Will you initiate and/or support the reduction of corporate and individual income tax rates?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
7.	Do you agree in a tax system that would free up some of the burden from wage earners while exacting more from corporate taxpayers and individuals with higher income?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

D. Simplified Tax Compliance

		YES	NO	Remark(s) (if any)
8.	Are you in favor of the adoption of a simplified manner of computing net income for self-employed individuals and professionals with annual gross sales/receipts of ₱10 million or below, including simplified tax return filing, bookkeeping and invoicing requirements?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Please see attached remark.
9.	Are you in favor of exempting marginal income earners (those with gross annual sales/receipt not exceeding ₱100,000) from tax and from administrative requirements?	<input checked="" type="checkbox"/>		

E. Value-added Tax

10.	Originally, the rate of VAT was only 10% and increased to its current rate of 12% by the previous administration (now the highest VAT rate among the ASEAN countries). As an additional source of revenue for the next administration, will you consider increasing the VAT rate further? If so, at what rate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Please see attached remark.
11.	When it was originally adopted, the VAT only covered a limited number of transactions. An amendment to the VAT broadened or increased the VAT coverage to include additional transactions (i.e., sale of real property used in business, professional income of doctors, lawyers and others). Will you consider broadening further the VAT base by revisiting the exemptions and effectively including more transactions subject to VAT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Please see attached remark.

F. Excise Tax on Petroleum & Others

12.	Excise tax rates on petroleum products have not been updated since 1997 and fuel prices are expected to stay low for at least a few more years, would you consider increasing excise tax on petroleum products?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Please see attached remark.
13.	As a means to reduce air pollution, would you support legislation granting tax breaks to hybrid or electric vehicles?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
14.	Would you consider increasing excise tax on alcohol products, luxury or high-end automobiles, and other non-essential goods to increase tax collection?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

G. Rationalization of Fiscal Incentives

15.	With the passage of the TIMTA Law (Tax Incentives Management and Transparency ACT), it is now possible to monitor the various Investment Tax Incentives (ITI) granted by various Investment Promotion Agencies (i.e., BOI, PEZA, BCDA, PRA, TIEZA, and others). Will you support the passage of a fiscal incentives rationalization act that will allow greater scrutiny of the way ITIs are granted and managed, eliminate redundant incentives and retain only those which are necessary to make the Philippines attractive to foreign investors?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Please see attached remark.
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H. Estate Tax

		YES	NO	Remark(s) (if any)
16.	Some countries have already abolished or at least temporarily suspended the imposition of estate tax, which is imposed on the assets of a deceased individual upon death. Would you consider the abolition of estate tax in the Philippines?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
17.	Currently, the family home deduction for estate tax purposes is ₱1 million, would you agree to increase the amount considering the increase in the value of real properties in the Philippines? How much should be the deductible amount?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Please see attached remark.
18.	How about the existing standard deduction, which is currently at ₱1 million, would you consider increasing the amount, which is effectively not subject to estate tax? If so, how much?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
19.	The brackets in the current estate tax table have not been adjusted since 1998, would you support an adjustment to the estate tax brackets to consider changes in the consumer price index?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

I. Tax Administration

20.	Experts say that in PH only few are paying and more taxes are being collected from the few through recurring tax audit. Yet, there are businesses and/or individuals who can get away with not being registered with the BIR. Do you believe the tax system in the Philippines is unfair to many?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Please see attached remark.
21.	Some countries adopted drastic reforms like the reorganization of their tax administrations and human resources, giving higher pay to employees but imposing greater accountability, resulting in the improvement of the overall performance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

	of their tax agencies. Do you think there is a need to adopt similar institutional reforms in our tax agencies like the BIR & BoC?			
22.	Will you strongly push for the elimination of corruption at the BIR and BoC?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
23.	Would you support the lifting of bank secrecy laws consistent with international standard to enable revenue authorities to combat tax evasion?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
24.	Would you consider granting a tax amnesty program as a prelude to the adoption of a comprehensive tax reform program?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

I am allowing TMAP to disclose my answers to the public and post it at the TMAP website and other social media pages of the association.

Name of Candidate: DICK GORDON

By: RODOLFO O REYES

Date: 3 May 2016

Position General Counsel

Send reply to TMAP c/o Update Management & Research Center (UMRC), Inc., Unit 2414, Cityland 10, Tower II, Cor. H. V. Dela Costa & Valero Sts., Makati City, Tel/Fax: 753-1346 Telephone: 840-2325 E-mail Address: tax_map@yahoo.com Website: www.tmap.org.ph

DICK GORDON'S REMARKS TO TMAP'S SURVEY

1. **Question B.4** – The three (3) year period to indexing and adjusting tax brackets should be further studied by tax experts. It could be that 3 years is too short a period to adjust. It should be dependent on the country's actual economic growth and forecasts, as well as GDP and GNP.
2. **Question B.5** – I would like this to happen, but based on practical experience, tax measures in the House and the Senate take longer than 100 days to pass. I could file a bill but I can't guarantee the time table, unless the President (whoever he or she may be) certifies the measure as urgent.
3. **Question C.7** – In fact, a gross income taxation might be more effective than a net income taxation for corporations. This would simplify assessment and collection, increase revenues and would eliminate corruption and tax evasion because the taxable base would now be on the basis of gross revenues or gross income earned/margin (only direct costs would be deductible). Of course, this has to be further studied and the implementation should be gradual to allow the country to adjust.
4. **Question D.8** – All filings should be on-line.
5. **Question E.10** – Even if VAT is an indirect tax, someone ends up paying it. The Philippines and the Filipinos are already overtaxed. I believe we should give business and individuals a little breathing room to allow them to grow and generate more wealth. This will increase consumption and more and more taxes will be collected. Collection and enforcement is the problem, not the lack of or the rates of taxes.
6. **Question E.11** – To be more attractive to business, we have to reduce, not increase taxes. In the light of the ASEAN Integration and globalization, the Philippines has a unique opportunity to present itself as a moderate tax regime that welcomes the influx of investments and business, and makes the imposition and collection of taxes seamless, friendly and corruption-free. While this may be difficult, it is not totally impossible, if we work hard and monitor the tax system vigilantly.
7. **Question F.12** – Excise taxes on petroleum should not be increased. In fact, they should be reduced. Petroleum is such an important factor for economic growth and affects everything from big industry, to prices of goods to the ultimate consumer. We have to make sure we keep the prices of petroleum at a level that will spur economic activity. Taxing petroleum at high rates will increase the prices of all commodities across the table and will take its toll on everyone.

8. **Question G.15** – I am for rationalization of incentives, limiting the availment of the same for a certain period, and then lifting it when the investor has fully recovered his investment and has generated sufficient profit. However, I would caution the passage of a law that would remove existing incentives currently being enjoyed by locators in various economic zones as it may have constitutional implications, i.e. the passage of laws that would impair the obligation of contracts. When government agrees to give incentives to attract investors, it enters into a “contract” with them to invest in the Philippines. It cannot thereafter merely take it away. Hence, all rationalization of incentives laws should have prospective application.
9. **Question H.17** – The Philippines is one of the only countries left in the world with an estate tax system. Should Congress decide not to remove it, then the deductions should be increased, but graduated based on the value of the property. Again, this needs further study.
10. **Question I.20** – The tax system is not unfair as it should be uniformly applied. However, much has to be done to plug the loopholes, i.e. enforcement and administration of tax laws, and shifting from net income taxation to gross income taxation.