



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



**2016 TMAP NATIONAL ELECTION TAX SURVEY**

Instructions: Mark the appropriate box with an **X**.

Name of Candidate Leila De Lima                      Position Senator                      Party Liberal Party

**A. Comprehensive Tax Reform**

		<b>YES</b>	<b>NO</b>	<i>Remark(s) (if any)</i>
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"/>	1. Yes. We should consider the current consumer price index and tax administration/collection policies as a guide to a comprehensive tax reform system;
2.	Do you think it should be a priority of government?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Yes, it should be a priority of the government but the government should also consider the tax implementation capacity of the BIR/BOC to effect a comprehensive tax system;

**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"/>	3. Yes. Consumer price index should be considered. As to the question of immediate adjustment of the tax brackets, my answer is in the negative considering the current status of Philippine economy;
4.	Do you agree that the tax brackets should be indexed and adjustments should be done automatically every three years?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	4. No. While adjustments should be made, the period of automatic adjustments should first be comprehensively evaluated to determine its effects on the tax collections;

5.	Will the adjustment take place during the first 100 days of the new administration?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	5. No, adjustments cannot take place within the first 100 days of the new administration;
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**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 type="checkbox"/>	<input checked="" type="checkbox"/>	6. No. For individuals, rates should be adjusted based on the different tax brackets, which means that tax brackets should be expanded to reduce the tax impact on the lower income earners versus higher income earners. For corporate taxpayers, corporations should also be classified and subjected to tax according to income and not just a fixed uniform rate;
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 type="checkbox"/>	<input checked="" type="checkbox"/>	7. No. As discussed in number 6, the tax brackets may be expanded for individuals such that the effect is wage earners will be benefited;

Name of Candidate Leila De Lima

**D. Simplified Tax Compliance**

		<b>YES</b>	<b>NO</b>	<i>Remark(s) (if any)</i>
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"/>	8. Yes. Simplified tax return filing, bookkeeping, invoicing requirements should be applicable to all taxpayers, not only for self-employed individuals and professionals with annual gross sales/receipts of P 10 M or below;
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 type="checkbox"/>	<input checked="" type="checkbox"/>	9. No. The effect of expanding the tax brackets will already benefit the tax impact for marginal income earners, thus, there is no need to exempt them from tax and other administrative requirements

**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"/>	10. No. VAT should not be increased for the purpose of raising additional revenues;
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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11. Yes. We should revisit not only the exemptions but also those transactions subjected to VAT;

	effectively including more transactions subject to VAT?			
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**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"/>	12. No. The consumer price index should be considered by comparing first the prices of petroleum in 1997 and now. The market price is very volatile in the petroleum industry and increasing or decreasing excise tax based only on the current price or the fuel prices now is not appropriate;
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"/>	13. Yes.
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"/>	14. No. We enacted RA 10351 (January 1, 2013) which already provides for increase in excise taxes;

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**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"/>	15. Yes.
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**H. Estate Tax**

		<b>YES</b>	<b>NO</b>	<i>Remark(s) (if any)</i>
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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 type="checkbox"/>	<input checked="" type="checkbox"/>	16. No. We can, however, study lower rate of estate taxes and/or expanding the brackets for estate tax considering that the properties when held by the deceased during his lifetime have already been subjected to other taxes;
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"/>	17. Yes. The value of real properties has tremendously increased which is already not commensurate/proportional to the value of P 1M family home deduction when the same was implemented 20 years ago. For purposes of determining the amount, we suggest to consider the real property index for the last ten years;
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"/>	18. Same answer as No. 17;
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"/>	19. Yes.

## 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"/>	20. No. The tax system is not unfair. Tax administration is the problem;
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 of their tax agencies. Do you think there is a need to adopt similar institutional reforms in our tax agencies like the BIR & BoC?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	21. Yes. Institutional reforms relating to personnel concerns of tax collection agencies will definitely increase collection rate and reduce risk of corruption;
22.	Will you strongly push for the elimination of “corruption at the” BIR and BoC?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Yes
23.	Would you support the lifting of bank secrecy laws consistent with international standard to enable revenue authorities to combat tax evasion?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	23. No. Bank Secrecy Law created exceptions that would already assist

				tax agencies in tax collection;
24.	Would you consider granting a tax amnesty program as a prelude to the adoption of a comprehensive tax reform program?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	24. No. Tax amnesty program is not the only solution to effective tax collection.

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: Leila De Lima                      By: Leila De Lima

Date: April 26, 2016    Position Senator

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