



Committee Daily Bulletin

18th Congress
Third Regular Session

A publication of the Committee Affairs Department

Vol. III No. 34
July 28, 2021

COMMITTEE MEETINGS ON HOUSE MEASURES

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Housing and Urban Development	HB 2000	Deputy Speaker Gonzales (N.)	Declaring certain portions of Welfareville property for disposition to bona fide residents without public bidding	<p>The Committee, chaired by Rep. Francisco "Kiko" Benitez (3rd District, Negros Occidental), approved the Committee Report on House Bill 2000.</p> <p>Rep. Benitez underscored the need for the immediate approval of the bill to finally resolve the long standing issue on the Welfareville property in Mandaluyong City.</p> <p>Based on the explanatory note attached to HB 2000, when Republic Act 9397 or the law amending the Urban Development and Housing Act of 1992 was passed in 2007, the organized informal settlers occupying Welfareville petitioned the Mandaluyong local government and the Office of the President to acquire, by purchase through installment, the lots they have occupied for so many years.</p> <p>RA 9397 allows the disposition of lands owned by the national government and its instrumentalities, as well as owned by local government units, through direct negotiated sale to the occupants thereof without need of public bidding subject to certain conditions.</p> <p>However, a stumbling block to this aspiration was the existence of RA 5260 which specifically requires that the sale of the Welfareville property be conducted through public bidding.</p> <p>Hence, HB 2000 seeks to amend RA 5260 by allowing the sale of the Welfareville property, except the areas occupied by the National Center for Mental Health and the Correctional Institution for Women, by direct negotiated sale to the residents therein without public bidding.</p>
	HBs 8874 & 8931	Reps. Robes and Benitez	Strengthening the National Housing Authority (NHA), extending its corporate term, amending for the purpose PD 757 (or the law creating the NHA and dissolving the existing housing agencies, defining its powers and functions, providing funds therefor)	<p>The Committee agreed to create a technical working group (TWG) to consolidate and further discuss HBs 8874 and 8931.</p> <p>Rep. Jose Christopher Belmonte (6th District, Quezon City) was designated as head of the TWG.</p> <p>Rep. Benitez, who is also the author of HB 8931, underscored the importance of extending the corporate life of the NHA for a period of 50 years to allow it to continue performing its mandate. Rep. Benitez recognized the accomplishments of the NHA through the years. However, he also stressed the need for the NHA to step up and improve its performance considering the increasing housing backlog in the country.</p>

<p>Continuation... Housing and Urban Development</p>			<p>Presidential Decree 757, which was enacted in 1975, provides that the NHA shall exist for 50 years from the enactment of the law or until 2025. It shall “provide and maintain adequate housing for the greatest possible number of people” and undertake housing, development, resettlement or other activities that would enhance the provision of housing to every Filipino.</p> <p>Moreover, Executive Order 90, series of 1986, mandates the NHA to focus its efforts on providing housing assistance to the lowest 30% of urban income-earners through slum-upgrading, relocation of informal settlers, development of sites and services, and construction of core-housing units. At present, the NHA is an attached agency of the Department of Human Settlements and Urban Development (DHSUD).</p> <p>NHA General Manager Marcelino Escalada Jr. and DHSUD Assistant Secretary Avelino Tolentino III expressed their support for the bills.</p> <p>Escalada sought the immediate approval of the bills to address the difficulties being faced by the NHA, especially in terms of its capacity to construct quality housing and achieve its target housing production. Nevertheless, he said that from 1975 to 2021, the NHA has built almost 2 million housing units for marginalized and low-income homeless families.</p> <p>Tolentino added that the NHA is a key government agency in the development and implementation of a comprehensive and integrated housing program for the people.</p> <p>Rep. Arlene Brosas (Party-List, GABRIELA) asked about the NHA’s plan to address the country’s housing backlog as of 2020.</p> <p>Escalada clarified that of the 6.5 to 6.7 million housing backlog nationwide, only 2 million housing units fall under the responsibility of the NHA. He lamented that NHA can only construct 50,000 units a year because of the limited annual budget allocated in the General Appropriations Act for the agency’s housing projects.</p> <p>In reply to Rep. Brosas’ question if NHA could use its corporate earnings from joint venture agreements and public private partnership (PPP) agreements to fund its housing projects, Escalada said it can. But he added that the corporate earnings are also utilized as operating funds of the NHA and only a small portion is left that can be allocated for housing production.</p> <p>Rep. Brosas requested NHA to furnish the Committee data on NHA’s joint venture and PPP agreements, including the income derived from such activities.</p> <p>Rep. Brosas also suggested that the Commission on Audit be urged to conduct a</p>
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<p>Continuation... Housing and Urban Development</p>				<p>performance audit of NHA in the past five years. She explained that the audit report will give the Committee a better perspective of the budgetary requirement of the NHA in addressing the backlog of two million housing units. Likewise, the audit report can serve as basis in justifying an increase in the annual budget of NHA.</p> <p>The Committee approved Rep. Brosas' motion.</p> <p>On the query of Rep. Mario Vittorio "Marvey" Mariño (5th District, Batangas), Escalada replied that the NHA needs to raise P50 billion to solve the housing backlog.</p> <p>Meanwhile, Rep. France Castro (Party-List, ACT-TEACHERS) inquired about the status of NHA's housing projects for teachers.</p> <p>Escalada informed the body that NHA has increased its housing unit allocation to low-income government workers, including teachers. Moreover, he added that NHA is currently drawing up a low amortization plan for teachers.</p> <p>Rep. Castro requested NHA to submit a copy of the low financing scheme for teachers as mentioned by Escalada.</p>
	<p>HB 8211</p>	<p>Deputy Speaker Romero</p>	<p>Providing for tax incentives on the development of economic and medium-cost housing</p>	<p>The Committee agreed to lay on the table HB 8211 because the intent of the bill is already covered by RA 11201, or the DHSUD Act, and EO 226, series of 1987, or The Omnibus Investments Code of 1987.</p>
<p>Ways and Means</p>	<p>Substitute Bill to HBs 444, 738, 1432, 2020, 4075, 4179, 4356, 4366, 4391, 4962, 6604, 7298, 7299, 7317 & 7607</p>	<p>Deputy Speaker Revilla, Reps. Biazon, Campos, Vargas, Bernos, Cabochan, Deputy Speaker Santos-Recto, Reps. Go (E.C.), Garcia (J.E.), Deputy Speakers Legarda and Romero, Rep. Garin (S.), and Deputy Speaker Gatchalian</p>	<p>Providing the national energy policy and regulatory framework for the use of electric vehicles and the development of the electric vehicles industry and appropriating funds therefor</p>	<p>The Committee, chaired by Rep. Joey Sarte Salceda (2nd District, Albay), approved with amendments the tax provision of the Substitute Bill to the 15 bills.</p> <p>The author of House Bill 4962, Rep. Jose Enrique "Joet" Garcia III (2nd District, Bataan), said that the objective of the bill is to create a national policy and framework to encourage the uptake of electric vehicles (EVs) both in the public and private sector. The proposed law mandates all gasoline stations as well as private and public establishments to have designated parking areas for EVs; and requires all designated EV parking areas to have charging stations. It also provides for the establishment of an accreditation mechanism for all EV charging stations and service providers; creation of green routes exclusive for public EVs; inclusion of domestic EV manufacturing in the government's Investment Priorities Plan; and tax exemption for the purchase of EVs.</p> <p>Department of Finance (DOF) Director of the Strategy, Economics, and Results Group Valery Joy Brion suggested that the proposed fiscal incentives in the substitute bill should adhere to the Strategic Investment Priorities Plan (SIPP). The SIPP provides a list of priority industries that will qualify for incentives under the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law.</p>

Continuation... Ways and Means				<p>DOF Fiscal Policy and Planning Office Director Rowena Sta. Clara noted that the proposed value-added tax (VAT) exemption in the proposed law is contrary to the principles of the Tax Reform for Acceleration and Inclusion (TRAIN) Law. The ultimate goal of the TRAIN is to provide the government with the revenues to fund its inclusive growth agenda, which envisions an upper-middle income status for the country by 2022 and eventually a high-income status by 2040. (Source: DOF website)</p> <p>Baguio City Rep. Mark Go asked the DOF if it already has a study on the revenue impact of the proposed law if there will be VAT exemptions for EV owners and users.</p> <p>Sta. Clara replied that the DOF has not made any calculation yet as it is still in the process of gathering data.</p> <p>Rep. Garcia explained that the purpose of the VAT exemption is to promote the use of environment-friendly EVs in the country. However, he said if the Committee decides that VAT shall be imposed, he said he will accede to it in order to facilitate the approval of the bill.</p>
	Substitute Bill to HBs 1255, 3630 & 7634	Reps. Villafuerte, Nieto, and De Venecia	Providing for the promotion of audiovisual tourism, creating the Film Philippines Office, providing funds therefor	<p>The Committee approved with amendments the tax provision of the Substitute Bill to the three bills.</p> <p>Rep. Christopher de Venecia (4th District, Pangasinan), author of HB 7634 and Chair of the Special Committee on Creative Industry and Performing Arts from which the substitute bill originated, presented the immediate and long-term effects of promoting audiovisual tourism in the country. He said this will further increase the number of visitors in various localities, boost the collection of local taxes, and generate jobs especially in the countryside.</p> <p>Rep. Salceda said that his Committee, aside from approving the substitute bill's tax provision, also recommends the inclusion of the Board of Investments (BOI) of the Department of Trade and Industry (DTI) in the list of agencies with which the proposed Film Philippines Office (FPO) shall collaborate in order to establish a globally competitive incentive program for foreign audiovisual productions. Further, he said the Committee recommends that the FPO shall coordinate with the DTI-BOI and the Fiscal Incentives Review Board (FIRB) in determining the eligibility criteria for the grant of incentives to international film and television productions.</p> <p>Under the CREATE law, the FIRB's functions were expanded to cover not only tax incentives given to government-owned or controlled corporations but also those granted by investment promotion agencies (IPAs) and other state-run agencies to their respective registered business enterprises. The FIRB is co-chaired by the secretaries of DOF and the DTI.</p>

Continuation... Ways and Means				Rep. De Venecia accepted the recommendations of the Committee on Ways and Means.
	Substitute Bill to HB 1833	Deputy Speaker Rodriguez	Strengthening the competitiveness of the Philippine motor vehicle manufacturing industry	<p>The Committee approved with amendments the tax provision of the Substitute Bill to HB 1833.</p> <p>Navotas City Rep. John Reynald Tiangco, Chair of the Committee on Trade and Industry from which the substitute bill originated, said that the bill aims to develop and implement a comprehensive policy that will accelerate the development of the motor vehicle manufacturing industry in the country. He said this will eventually lead to capital formation, technology transfer, technical skills development, and employment generation.</p> <p>Rep. Tiangco accepted the Committee on Ways and Means' recommendations to align the tax provision of the proposed law with the SIPP and to include the IPAs in the list of agencies that shall formulate and implement the development programs for the motor vehicle manufacturing industry.</p>
	Substitute Bill to HB 2836	Deputy Speaker Rodriguez	Strengthening the Legal Education Board (LEB), thereby amending RA 7662, otherwise known as the Legal Education Reform Act of 1993 and appropriating funds therefor	<p>The Committee approved with amendments the tax provision of the Substitute Bill to HB 2836.</p> <p>Rep. Go, Chair of the Committee on Higher and Technical Education from which the substitute bill originated, said the proposed law seeks to strengthen the LEB by expanding its composition and functions and addressing its core problems, namely: lack of manpower; insufficient funding; and lack of representation in the Board by other bodies such as the Philippine Association of Law Schools, Philippine Association of Law Professors, and Integrated Bar of the Philippines.</p> <p>Deputy Speaker Rufus Rodriguez (2nd District, Cagayan de Oro City), author of HB 2836, said that he is amenable to the Committee's recommendation on the tax exemption provision of the bill, which will now be stated as:</p> <p>"Any donation, contribution, bequests, and grant, in cash or any property, real or personal used actually, directly and exclusively for the purpose and destined to be part of the legal education fund, shall be exempt from donor's tax and the same shall be considered as allowable deduction from gross income for purposes of computing the taxable income of the donor, in accordance with the provisions of the National Internal Revenue Code of 1997 (NIRC), as amended."</p> <p>The Bureau of Internal Revenue (BIR) expressed its support for the substitute bill.</p>
Substitute Bill to HBs 5581, 6153, 6160, 6221, 6258, 6265, 6267, 6289, 6304, 6488,	Reps. Romualdez (Y.M.), Lim, Castelo, Tan (A.S.), Defensor (M.), Roman, Deputy	Strengthening and codifying the alternative child care laws, reorganizing for this purpose the Inter-Country Adoption Board into the National Authority for Child Care (NACC) and providing funds therefor	<p>The Committee approved with amendments the tax provision of the Substitute Bill to the 15 bills.</p> <p>Rep. Alyssa Sheena Tan (4th District, Isabela) sponsored the substitute bill on behalf of Committee on Welfare of Children Chairperson</p>	

Continuation... Ways and Means	6544, 6681, 7240, 2282 & 2349	Speakers Alonte and Yu, Reps. Ferrer (J.), Garin (J.), Suarez (A.), Hofer, Vergara, Acosta-Alba, and Deputy Speaker Escudero		<p>Rep. Yedda Marie Romualdez (Party-List, TINGOG SINIRANGAN).</p> <p>Rep. Tan, who is also the author of HB 6221, said the proposed law seeks to change the adoption process from a judicial undertaking to an administrative one through the creation of the NACC within the Department of Social Welfare and Development (DSWD). Rep. Tan added that the NACC shall streamline the adoption procedure to make it cost-effective for the applicants and shall also ensure that the adoption process will be protected from human traffickers.</p> <p>Rep. Tan accepted the Committee's recommendations on the tax exemption provision of the bill, which will now be stated as:</p> <p>"Donations, grants, gifts, endowments, legacies, and contributions to agencies for actual, direct and exclusive purposes of child caring and child placing shall be exempt from donor's tax and the same shall be considered as allowable deduction from gross income for purposes of computing the taxable income of the donor, in accordance with the provisions of the NIRC, as amended."</p> <p>The BIR expressed its support for the substitute bill.</p> <p>On other matters, the Committee Members agreed that a bill should be filed proposing that cash donations by individuals and private companies to athletes who won medals in international games shall no longer be subject to 6% donor's tax. They cited the numerous cash rewards that weightlifter Hidilyn Diaz will be receiving from private donors for being the first Filipino to win a gold medal in the Olympic Games. According to the Members, the purpose of the cash rewards is to incentivize athletes to win in international competitions, hence, these donors should not be burdened with paying the donor's tax being the grantor of the said incentives.</p>
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JOINT CONGRESSIONAL OVERSIGHT COMMITTEE MEETING		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Joint Congressional Oversight Committee on Cooperatives	Discussion on issues and concerns affecting the cooperatives sector	<p>The Joint Congressional Oversight Committee on Cooperatives (JCOC), co-presided by Rep. Presley de Jesus (Party-List, PHILRECA), Chair of the House Committee on Cooperatives Development, and Senate Majority Leader Juan Miguel "Migz" Zubiri, Chair of the Senate Committee on Cooperatives, discussed the issues and concerns affecting the cooperatives sector.</p> <p>At the outset, Senator Zubiri said that today's meeting will focus on the following: review of Republic Act 11364 and its implementing rules and regulations (IRR); status of implementation of Chapter V, Article 62, Subsection 10 of the New Cooperative Code (RA 9520), referring to the preferential treatment given to cooperatives transacting business with the government; and challenges that cooperatives continue to experience because of certain policies and</p>

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Joint Congressional
Oversight Committee
on Cooperatives

- Review of the implementing rules and regulations (IRR) of RA 11364, otherwise known as the Cooperative Development Authority (CDA) Charter of 2019

regulations of the Bureau of Internal Revenue (BIR). Sen. Zubiri also said that the JCOCC would like to hear updates from the Department of the Interior and Local Government (DILG) on the implementation of RA 11535 which makes the position of Cooperatives Development Officer mandatory in the municipal, city, and provincial levels.

Rep. De Jesus added that the agenda for today is very timely considering the undeniable contribution of the cooperatives sector to the country's economic recovery efforts in this time of the pandemic. He stressed that the cooperatives sector, which he calls the "new oligarchs" of the economy, has been steadily developing, thus the need to put in place appropriate mechanisms to allow it to attain its full potential. Rep. De Jesus added that it is important to ensure that the implementation of the laws and the formulation of the corresponding IRRs are in accordance with Congress' intent of seeing to it that all the cooperatives across the country truly benefit from these laws.

CDA Chair Joseph Encabo apprised the JCOCC that in the crafting of the IRR of RA 11364, the CDA held various consultations nationwide. The series of consultations were participated in by the members of the cooperatives themselves as well as the concerned national government agencies and the academe. He stressed that the CDA exercised due diligence in crafting the IRR.

Encabo also informed the body that the CDA accords equal opportunity to all cooperatives regardless of their size and category. Hence, the CDA allowed cooperatives to participate in the Regional Clustered Organizations (RCOs), which were created under the IRR.

Based on the IRR, an RCO refers to a "recognized association of primary, secondary, tertiary cooperatives as well as union of cooperatives belonging to a specific cluster operating in a region to serve as a consultative body of cooperatives in the regional level."

Sen. Zubiri questioned the creation of RCOs. According to him, the CDA went beyond the provisions of the law when it established RCOs, emphasizing that such creation was not explicitly provided for under RA 11364.

Likewise, Sen. Risa Hontiveros questioned the need for the creation of RCOs as there are already existing regional cooperative unions nationwide. She also inquired about CDA's involvement in the actual creation of the RCOs.

Encabo explained that Section 4 (z) of RA 11364 provides the basis for the creation of RCOs. He added that the CDA only jumpstarted the RCOs towards the formation of sectoral apex organizations (SAOs) and the national alliance for cooperatives, allowing small cooperatives the chance to become part of SAOs. He explained that the existing cooperative unions are already composed of big federations of cooperatives. Nevertheless, he said that the CDA is willing to listen to the suggestions of the stakeholders on the matter. He further invited the cooperative leaders to be part of another dialogue with the CDA on August 3.

Section 4 (z) of RA 11364 provides that the CDA shall "recognize sectoral apex organizations and a national alliance representing all types and categories of cooperatives which shall function as the overall consultative and coordinating body with the Authority, for this purpose, the pertinent provisions of Republic Act No. 9520 are hereby amended accordingly, and the Authority shall issue the necessary IRR for this provision."

Sen. Hontiveros underscored the need to review the IRR and clarify some provisions to address the concerns of the stakeholders. She also pointed out the need to conduct another round of consultations

<p>Continuation... Joint Congressional Oversight Committee on Cooperatives</p>	<ul style="list-style-type: none"> Implementation of RA 11535 or the law making the position of Cooperatives Development Officer mandatory in the municipal, city, and provincial levels 	<p>Atty. Brianna Kay delos Santos of the BIR Legal Division reported that the BIR issued Revenue Memorandum Circular (RMC) 124-2020, which addresses the issues and concerns previously raised by the cooperatives. She said that the RMC provides for the following:</p> <ul style="list-style-type: none"> • Interest income earned from time deposits and savings account of members of cooperatives engaged in lending are exempted from taxes, including final taxes on members' deposits and documentary stamp tax (DST); • Cooperatives' transactions between cooperatives and among its members shall be exempted from the DST; • Statutory contributions made by cooperatives as employer share are excluded from the cooperatives' gross income; and • Cooperatives are exempted from the assessment of one percent and two percent creditable withholding tax provided that they are not top withholding agents. The one percent creditable withholding tax is imposed on purchase of goods and the two percent is on purchase of services from local or resident suppliers. <p>On the BIR's policy requiring all members of the cooperatives to submit their Tax Identification Number (TIN) prior to the issuance of a CTE to cooperatives, Delos Santos explained that this is a requirement under the National Internal Revenue Code.</p> <p>ARTA recommended that the BIR conduct a regulatory impact assessment on the need to submit the TIN of all the cooperative members prior to the issuance of a CTE.</p> <p>Delos Santos said that BIR will review the TIN requirement and will work with ARTA to address this issue.</p> <p>Sen. Zubiri reminded BIR that the law does not require cooperatives to submit the TINs of all their members to get hold of a CTE. He said he is aware of how hard it is for all the members of the cooperatives to secure TIN for themselves, considering that most of them are micro entrepreneurs such as street vendors, farmers and fisherfolk.</p> <p>Sen. Zubiri and Rep. De Jesus requested BIR to designate a point person who could assist the cooperatives and respond to their queries on tax-related matters.</p> <p>Relative to the mandatory appointment of a Cooperatives Development Officer in the local government units (LGUs), DILG Assistant Secretary Roosque Calacat said that the DILG has initially prepared the memorandum circular prescribing the guidelines for the implementation of RA 11535. However, the DILG later decided that the issuance of the memorandum may no longer be necessary since RA 11535 could already be implemented as it was already published in the government's official gazette and newspapers of general circulation.</p> <p>Sen. Zubiri said that the mere publication of the law in the official gazette may not be enough for the LGUs to effectively implement the law.</p> <p>Due to time constraints, the JCOCC decided to continue in another meeting its discussion on the implementation of RA 11535.</p>
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