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COMMITTEE MEETINGS ON HOUSE MEASURES

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Ways and Means	Substitute Bill to HBs 770, 1251, 1893, 1910, 2299, 2520, 2794, 4493, 5374, 5435, 5495, 6799 & 8156	Reps. Biazon, Villafuerte, Vargas, Castro, Castelo, Nograles (J.J.), Deputy Speaker Rodriguez, Speaker Velasco, Reps. Zubiri, Olivarez, Ty (D.), Reyes, and Deputy Speaker Villar	Institutionalizing the use of bicycle as an alternative mode of transportation, defining the rights of bicycle riders, establishing appropriate infrastructure and facilities, appropriating funds therefor	<p>The Committee, chaired by Rep. Joey Sarte Salceda (2nd District, Albay), approved the tax provisions of the substitute bill with amendments.</p> <p>Rep. Edgar Mary Sarmiento (1st District, Western Samar), Chair of the Committee on Transportation from which the substitute bill originated, cited the timeliness and relevance of the proposed law which is intended to support the use of bicycles as an alternative mode of transportation especially during the COVID-19 pandemic.</p> <p>Department of Finance's (DOF) Legislative Information Unit Director Valery Joy Brion objected to the tax provisions of the proposed measure. She said that Section 17 (a) of the substitute bill is inconsistent with the Tax Reform for Acceleration and Inclusion (TRAIN) Law, which already exempts employees with annual taxable income of P250,000 from the payment of personal income tax.</p> <p>Likewise, the DOF does not support the granting of additional tax incentives to businesses engaged in the manufacturing or assembly of bicycles other than those provided under the National Internal Revenue Code of 1997, as amended. Brion added that under the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law, corporate income tax has been significantly reduced to 20%, hence there is no need for additional incentives.</p> <p>Section 17 (a) states that "employees who shall regularly and mainly use bicycle as means of transport to and from their places of work shall be entitled to an annual tax deduction of P2,500 from their gross income."</p> <p>The Committee agreed to delete Section 17 (a). Also, a new provision was included in Section 17 which states that foreign and local enterprises engaged or proposing to engage in the manufacture or assembly of bicycles may avail of the tax incentives provided under Title XIII (Tax Incentives) of the NIRC of 1997, as amended.</p> <p>Section 19 (External Financing) of the substitute bill was also amended to read as: "The Department of Transportation (DOTr), in</p>

Continuation... Ways and Means				<p>coordination with the Department of Environment and Natural Resources and DOF, shall explore the possibility of accessing a range of global environment funds to assist in the funding of sustainable public transport systems and less polluting energy supplies.”</p> <p>Bureau of Internal Revenue (BIR) legal counsel Christianne Manahan agreed with the comments of the DOF.</p> <p>Expressing support for the proposed law were DOTr Assistant Secretary Manny Gonzales and National Economic and Development Authority’s Chief Economic Specialist Kathleen Mangune.</p>
	Substitute Bill to HBs 969, 1171, 2439, 3952 & 6406	Rep. Abaya, Deputy Speaker Romero, Reps. Salceda, Arroyo (J.M.), and Go (M.)	Promoting inclusive and sustainable productivity growth, repealing for the purpose RA 6971, otherwise known as the Productivity Incentives Act of 1990	<p>The Committee approved the tax provision of the substitute bill with amendments.</p> <p>Baguio City Rep. Mark Go, author of HB 6406, said that the proposed law seeks to create a productivity incentive committee for business enterprises that will be mandated to develop a productivity incentive program (PIP) based on the gains and savings realized by business establishments.</p> <p>One of the salient features of the proposed law is the grant of tax incentives to establishments that will adopt such scheme. The proposed tax incentives are in the form of special deductions on gross income of 50% of the total productivity incentives given to employees under the PIP. Further deduction of 50% of the total grants for training and special studies given to employees pursuant to the PIP shall likewise be granted, Rep. Go said.</p> <p>Expressing support for the proposed law were resource persons from the DOF, BIR, and the Department of Labor and Employment - National Wages Productivity Commission expressed full support for the substitute bill.</p>
	Substitute Bill to HBs 5906 & 6243	Reps. Quimbo and Garin (S.)	Strengthening the National Competition Policy, amending for the purpose RA 10667, otherwise known as the Philippine Competition Act	<p>The Committee approved the tax provisions of the Substitute Bill to House Bills 5906 and 6243 with amendments.</p> <p>Rep. Stella Luz Quimbo (2nd District, Marikina City), author of HB 5906, manifested that during its five-year existence since 2016, the Philippine Competition Commission (PCC) has been faced with difficulties in prosecuting business cartels while trying to ensure that competition is promoted and protected in Philippine markets. Hence, she said, the measure intends to amend the PCC law and strengthen the capacity and authority of the PCC to effectively perform its mandate against anti-competitive conduct.</p> <p>Rep. Quimbo further said that the proposed law aims to establish an anti-trust fund for the PCC by authorizing the agency to retain 50%</p>

Continuation... Ways and Means				<p>of all fees, fines, and penalties it collected. The funds shall be earmarked for research, enforcement, and staff capacity-building activities. The proposed law also seeks to augment the compensation and remuneration of PCC officers and personnel, by revising its compensation classification system with a compensation plan comparable to the prevailing salaries, benefits, and emoluments of the employees of the Bangko Sentral ng Pilipinas (BSP).</p> <p>The DOF opined that the proposed review and recommendatory functions of the PCC in relation to the anti-competitive effects of government incentive schemes are not necessary. The PCC's membership in the Fiscal Incentives Review Board (FIRB) technical committee is sufficient avenue for the PCC to perform such functions. Brion likewise manifested that the DOF does not support the retention of funds as proposed in the substitute bill because it runs contrary to the government's "One Fund Policy."</p> <p>This concept requires that "all income and revenues of the government must accrue to the General Fund and thus can be freely allocated to fund programs and projects of government as prioritized." (<i>Source: Department of Budget and Management website</i>)</p> <p>PCC Chair Arsenio Balisacan expressed support for the proposed law. He added that the establishment of an anti-trust fund will allow the PCC to augment its funds to support its enforcement operations.</p>
	HB 8895	Rep. Biazon	Exempting critical medical products, essential goods, inputs, raw materials, and equipment from taxes, duties, and other fees during public health emergencies	<p>The Committee discussed and approved the changes that will be made in some of the provisions of HB 8895. The amended version of the bill will be submitted to the Committee on Rules for approval.</p> <p>The bill, which substituted HBs 8301, 8324, 8375, 8376, 8584 and 8652, was approved by the Committee on February 8.</p> <p>Rep. Salceda said that the Committee suggests that the proposed law shall exempt from all taxes, duties, and fees the sale or importation of all COVID-19 related goods, materials, and equipment by private entities and the sale, importation, and procurement by government entities including donations to both government and private entities with respect to donor's taxes. Such tax exemptions shall take effect from the period January 1, 2021 to December 31, 2022 without the declaration of public health emergency. After 2022, a declaration of public health emergency is required for these tax exemptions to be valid and applicable.</p>

Continuation... Ways and Means				<p>However, Committee Vice Chair Rep. Sharon Garin (Party-List, AAMBIS-OWA) suggested that the period for tax exemption without the declaration of public health emergency be extended up to December 2023 considering that the COVID-19 pandemic may last beyond next year. Committee Senior Vice Chair Rep. Estrellita Suansing (1st District, Nueva Ecija) agreed with Rep. Garin's suggestion.</p> <p>Meanwhile, Muntinlupa City Rep. Ruffy Biazon, author of HB 8895, suggested that the proposed law's short title be changed to "Public Health Emergency Tax Exemption Act."</p> <p>The Committee adopted the suggestions of Reps. Garin and Biazon.</p>
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TECHNICAL WORKING GROUP MEETING ON HOUSE MEASURES				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/ DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Information and Communications Technology (Technical Working Group)	Draft Substitute Bill to HB 299	Rep. Yap (V.)	Providing for policies to enhance efficiency and transparency in the allocation, assignment, and management of the radio frequency spectrum	<p>The technical working group (TWG), chaired by Rep. Joy Myra Tambunting (2nd District, Parañaque City), will deliberate further on the draft substitute bill to House Bill 299.</p> <p>Rep. Tambunting stated that the proposed law aims to ensure the proper allocation of radio frequency spectrum and promote the adoption of appropriate technologies, best practices, and highest service standards. It also seeks to put in place policies aimed at enhancing the efficiency and transparency in radio frequency spectrum management so that the rights of all stakeholders are fully protected.</p> <p>As stated in the bill, the function of radio frequency spectrum management shall be a joint undertaking of the Department of Information and Communications Technology (DICT), for policy and planning aspects, and the National Telecommunications Commission (NTC), for regulatory matters, in consultation with relevant government agencies and concerned stakeholders.</p> <p>According to the TWG Chair, copies of the draft substitute bill to HB 299 were already forwarded to the concerned government agencies and stakeholders for their comments and recommendations.</p> <p>DICT Undersecretary for Digital Philippines Emmanuel Rey Caintic expressed support for the proposed law. He informed the body that a small TWG was formed by the DICT, together with the United States Agency for International Development (USAID), World Bank, and Asian Development Bank, for the purpose of coming up with recommendations on the draft substitute bill. He then asked for more time to be able to consolidate all the inputs.</p>

<p>Continuation... Information and Communications Technology</p>				<p>Also expressing their support for the proposed law were the NTC, Department of Trade and Industry, National Security Council, Philippine Competition Commission (PCC), GMA Network, Inc., Globe Telecom, Inc., Smart Communications, Inc., Dito Telecommunity Corporation, Philippine Long Distance Telephone Company, Philippine Cable and Telecommunications Association, Inc., Internet Society - Philippines Chapter (ISOC.PH), and Democracy.Net.PH.</p> <p>They also requested for more time to submit their position papers, considering that new provisions were included in the draft substitute bill.</p> <p>ISOC.PH Vice President Mary Grace Mirandilla-Santos said it is important to look at radio frequency spectrum management holistically and not just focus on one industry such as telecommunications. Thus, she suggested that the TWG discussions include all stakeholders who use radio frequency spectrum.</p> <p>Democracy.Net.PH. co-founder Engr. Pierre Tito Galla and Globe's Policy Division, Corporate and Legal Services Group Head Ariel Tubayan, both suggested that the Committee may study the best practices of other jurisdictions in managing their radio frequency spectrum, such as the United States (US) and Indonesia.</p> <p>Galla added that the PCC already has data on Indonesia which it could present in the next meeting of the TWG. The USAID, he said, can provide data on the US' radio frequency spectrum program.</p> <p>The PCC and USAID agreed that they will coordinate with each other to come up with the appropriate presentation in the next meeting of the TWG.</p> <p>Rep. Tambunting thanked the resource persons for their insights and assured them that all the stakeholders will be invited in the succeeding TWG meetings.</p>
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