



REPUBLIC OF THE PHILIPPINES
Senate

Ferdinand R. Marcos, Jr.
Senator

26 April 2016

MR. BENEDICT R. TUGONON

President

Tax Management Association of the Philippines, Inc.

c/o Update Management & Research Center, Inc.

Unit 1904, Cityland Herrera Tower

Cor. V. A. Rufino & Valero Streets, Salcedo Village, Makati City

Dear **President Tugonon**:

This is to acknowledge receipt of your letter dated 20 April 2016 relative to tax policy survey.

Please see attached answers to your survey questionnaire.

Thank you and best regards!

Very truly yours,


ATTY. ILYA KRISTHINE R. RAVANERA

Chief of Staff

KRR:se

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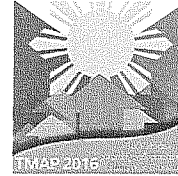
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**TAX MANAGEMENT ASSOCIATION
OF THE PHILIPPINES, INC.**



2016 TMAP NATIONAL ELECTION TAX SURVEY

Instructions: Mark the appropriate box with an X.

Name of Candidate: FERDINAND R. MARCOS, JR. Position: Vice-President Party: 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 type="checkbox"/> | <input checked="" type="checkbox"/> | 4. Any tax measurement should be carefully studied and adjusted. |
| 5. | Will the adjustment take place during the first 100 days of the new administration? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |

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"/> | 7. That is in accord with the progressive system of taxation. Wage earners need more tax relief than the higher income earners. But the |

government should focus on improving its tax collections rather than increasing tax imposition.

Name of Candidate _____

D. Simplified Tax Compliance

| | | <i>YES</i> | <i>NO</i> | <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. To minimize corruption in the tax collection. |
| 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? | | | 9. I am in favor of exempting the marginal income earners from tax but they should still comply with a simplified reportorial requirement. |

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"/> | |
| 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"/> | |

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"/> | |
| 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"/> | |

Name of Candidate _____

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"/> | |
|-----|---|-------------------------------------|--------------------------|--|

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 type="checkbox"/> | <input checked="" 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"/> | 17. The increase should be based on consumer price index. |
| 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 checked="" type="checkbox"/> | <input type="checkbox"/> | |
| 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: FERDINAND R. MARCOS, JR. By: ATTY. ILYA KRISTINE R. RAVANERA
Date: 26 April 2016 Position: CHIEF OF STAFF

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