



TAX MANAGEMENT ASSOCIATION
OF THE PHILIPPINES, INC.



2016 TMAP NATIONAL ELECTION TAX SURVEY

Instructions: Mark the appropriate box with an X.

Name of Candidate Defensor Santiago, Miriam Position President Party People's Reform Party

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"/>	The Philippine tax system needs to be overhauled. Major tax reforms are best done at the start of each administration when the president has a clear mandate.
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"/>	
5.	Will the adjustment take place during the first 100 days of the new administration?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	I promise to reform the tax system within my first six months in office.

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"/>	We will reduce the corporate income tax rate from 30 percent to 25 percent. We will also adopt comprehensive income taxation and reduce maximum personal income tax rate from 32 percent to 25 percent.
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"/>	I am for progressive taxation, which means that the higher an individual's income, the higher his tax rate.

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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"/>	One of the objectives of my tax reform agenda is to make taxes to administratively simple.
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"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	We will gradually increase the VAT rate from 12 percent to 15 percent by 2019. This means the VAT rate would have to increase by one percentage point increments starting 2017.
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 checked="" type="checkbox"/>	<input type="checkbox"/>	I am in favor of reducing taxes in income and increasing taxes on consumption.

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 checked="" type="checkbox"/>	<input 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"/>	I will provide incentives not only for maunfacturers of hybrid or electric vehicles but also to research and
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 checked="" type="checkbox"/>	<input type="checkbox"/>	development for the sector. I have filed Senate Bill No. 3041 to this effect last year.

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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"/>	There are some 140 laws granting fiscal incentives to firms. Studies show that fiscal incentives are redundant – that some firms would invest with or without fiscal incentives. Fiscal incentives have been a major drain in the government’s finances. They failed to attract foreign investors. They also distort the investment structure in the country by giving undue advantage to the favored firms and imposing disadvantages on the rest of the economy.
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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"/>	We will abolish the estate tax. The administrative cost of managing estate tax is higher than the tax yield. It unnecessarily complicates the tax system.
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 type="checkbox"/>	<input type="checkbox"/>	We will abolish the estate tax. See comment in No. 16.
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 type="checkbox"/>	<input type="checkbox"/>	We will abolish the estate tax. See comment in No. 16.
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 type="checkbox"/>	<input type="checkbox"/>	We will abolish the estate tax. See comment in No. 16.

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"/>	The solution is to appoint a few good men to run the BIR and the BOC and for Malacañang to stop meddling with these agencies. Corruption at the BOC will cease only if not tolerated by Palace officials.

	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: Miriam Defensor Santiago

By:  Kim Arveen Patria

Date: 26 April 2016

Position Public Affairs and Media Relations Officer

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