

EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

SENATE
P.S.R. No. **453**



Introduced by **Senator Ana Theresa “Risa” Hontiveros-Baraquel**

RESOLUTION
CALLING FOR AN INVESTIGATION IN AID OF LEGISLATION INTO THE TAXATION OF SUBSISTENCE ENTREPRENEURS CONDUCTING BUSINESS ONLINE DURING THE PANDEMIC AND URGING THE BIR, PENDING THE RESULTS THEREOF, TO SUSPEND THE IMPLEMENTATION OF RMC NO. 60-2020 UNTIL THE END OF THE YEAR

WHEREAS, according to the World Bank, the Philippine economy is likely to contract by 1.9% this year as a result, among others, of the COVID-19 pandemic;

WHEREAS, it will be the country's first annual decline in Gross Domestic Product (GDP) since the Asian financial crisis;

WHEREAS, data collected by the Philippine Statistics Authority (PSA) indicates that joblessness soared to 17.7% as the country implemented a sweeping lockdown in response to the pandemic;

WHEREAS, the National Statistician stated that at least 7.3 million Filipinos were out of work in April, mostly as a result of one of Asia's strictest shelter-at-home restrictions;

WHEREAS, in the midst of the economic disruption caused by the pandemic, the Bureau of Internal Revenue (BIR) issued Revenue Memorandum Circular (RMC) No. 60-2020 notifying all persons doing business and earning income through the use of any electronic platforms and media, and other digital means, to register their businesses for tax purposes by July 31, 2020;

WHEREAS, the issuance of RMC No. 60-2020 provoked an outcry from subsistence entrepreneurs and other netizens who complained that they were being singled out by the BIR for trying to earn a living in the middle of the lockdown;

WHEREAS, this outcry prompted Malacañang to explain that, in any case, online sellers earning less than PhP250,000.00 annually were exempt from income tax under the TRAIN law;

WHEREAS, with unemployment at record levels and restrictions on movement due to the pandemic still in place, many Filipinos, to survive and provide for their families, have been left with no option but to sell their goods and services

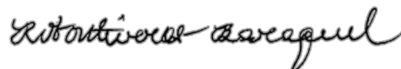
online;

WHEREAS, requiring people to congregate at the BIR's offices likewise exposes them to the health risks associated with COVID-19 and might also lead to further spreading the disease and prolonging the pandemic; and

WHEREAS, there is insufficient official data *vis-à-vis* the informal online economy to guide policy, thus making it imperative that the relevant government agencies provide an update on the situation for Congress.

NOW THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED TO URGE THE PROPER SENATE COMMITTEE TO INQUIRE, IN AID OF LEGISLATION, INTO THE TAXATION OF SUBSISTENCE ENTREPRENEURS CONDUCTING BUSINESS ONLINE DURING THE PANDEMIC AND TO URGE THE BIR, PENDING THE RESULTS THEREOF, TO SUSPEND THE IMPLEMENTATION OF RMC NO. 60-2020 UNTIL THE END OF THE YEAR.

Adopted.



RISA HONTIVEROS

Senator