STSR TAXBITS

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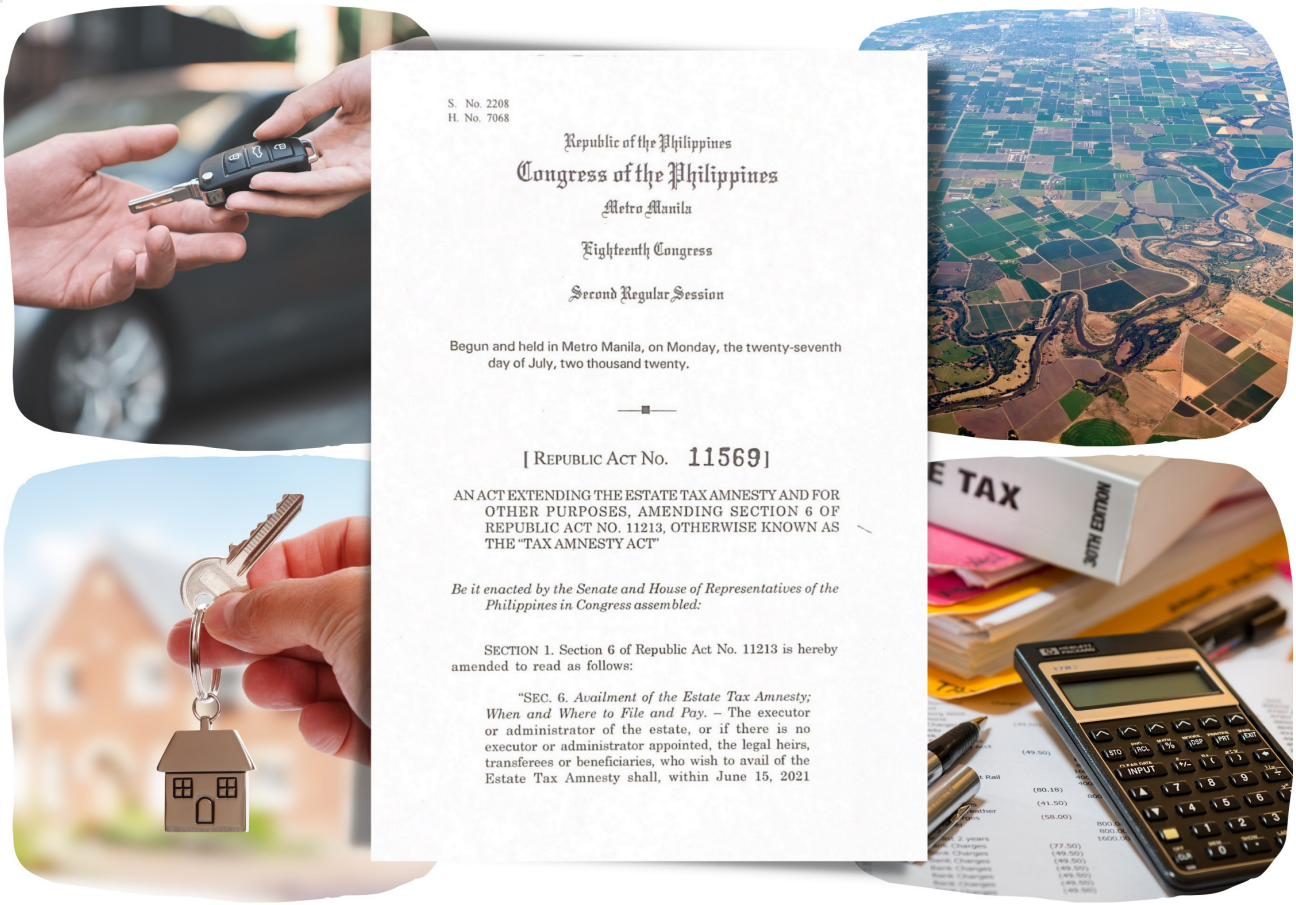

Herederos get a new lease of life
President Duterte extends estate tax amnesty

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When Congress passed what became Republic Act 11213, otherwise known as the Tax Amnesty Act, it declared as a State Policy to provide a one-time opportunity to settle estate tax obligations through an estate tax amnesty program that will give reasonable tax relief to estates with deficiency estate taxes.

Hence, estates of decedents who died on or before December 31, 2017, with or without assessments, and whose estate taxes have remained unpaid or have accrued as of December 31, 2017, were given the privilege of settling the same within two (2) years from the effectivity of the Implementing Rules and Regulations (IRR) of RA 11213.

The Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) 6-2019 on May 29, 2019, implementing the provisions of estate tax amnesty under Title II of RA 11213. These regulations shall take effect within 15 days from date of its publication in the newspaper of general circulation of Official Gazette.

The IRR was published at the Malaya Business Insight on May 31, 2019. Thus, for purposes of the timeline or period of availment, it is reckoned to run from **June 15, 2019 to June 14, 2021** per RMC 68-2019.

With the onslaught of the COVID-19 pandemic and the subsequent quarantines/ lockdowns, the BIR issued several revenue regulations and memorandum circulars amending and clarifying the provisions of RR 4-2019 (the IRR for the Tax Amnesty for Delinquencies or TAD), in particular, extending the period of availment thereof – citing as basis Section 4 (z) of RA 11469 (Bayanihan to Heal as One Act), viz.:

> "(z) Move statutory deadlines and timelines for the filing and submission of any document, the payment of taxes, fees, and other charges required by law, and the grant of any benefit, in order to ease the burden on individuals under Community Quarantine;"

These BIR issuances include (1) RR 05-2020, (2) RMC 33-2020 – extending the deadline to avail the TAD from April 23, 2020 to May 23, 2020; (3) RMC 38-2020, extending again the deadline to avail the TAD May 23, 2020 to June 8, 2020 in consideration of the extension of the ECQ over entire Luzon until April 30, 2020. The other regulations were (4) RR 11-2020, (5) RR 12-2020, (6) RR 15-2020 (until December 31, 2020), and (7) RMC 61-2020.

The BIR, however, has not moved the corresponding deadline for the estate tax amnesty.

The public clamor, the support given by several stakeholders, and the historical extensions for TAD have paved the way for the congressional move to extend the period of availment of the estate tax amnesty.

Data on Availment of Estate Tax Amnesty

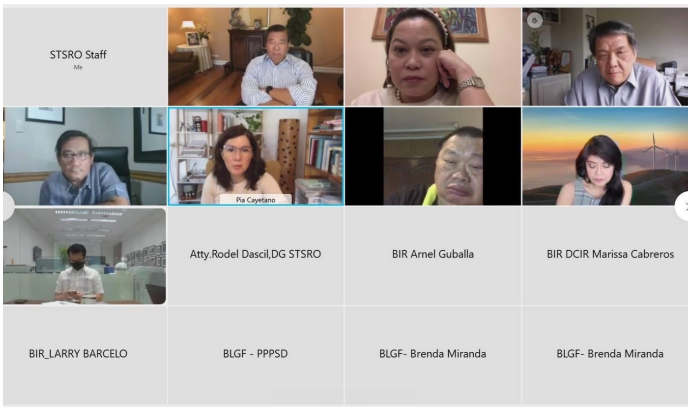
Based on official BIR submission dated February 22, 2021, the number of estate tax amnesty availers and the revenue collection therefrom are as follows:

Year	Availers	Collection
2020	22,880	P1,181,259,956.60
2019	11,055	822,286,914.69
Total	**33,935**	**P2,003,546,871.29**

Both Houses of Congress were unanimous in extending the period of estate tax amnesty availment by another 2 years, as economists forecast that world economy could most likely recover from the Covid19 pandemic within this time. The House also adopted the Senate version to delete the proviso originally under RA 11213 whereby proof of settlement of the estate, whether judicial or extrajudicial, shall be attached to the estate tax amnesty return in order to verify the mode of transfer and the proper recipients.

Hence, under RA 11569 inked by President Rodrigo Roa Duterte on June 30, 2021 legal heirs, transferees or beneficiaries of decedents who died on or before December 31, 2017 are given a new lease of life, so to speak, to settle their estate tax liabilities within the period from June 15, 2021 to June 14, 2023.

The deletion of the proviso on the proof of settlement has been a core issue during the virtual public consultation conducted by the Senate Committee on Ways and Means on May 4, 2021. Upon the beseech of Senator Franklin M. Drilon and Senator Win Gatchalian, and reinforced by the expert opinion of representatives from the Land Registration Authority, academe and estate tax practitioners, the Committee moved to give credence to the prompt and correct payment of the estate tax liabilities within the period prescribed under RA 11569. The settlement among the heirs, division and transfer of the estate to the beneficiaries may be done at a later date.



A screenshot of the hybrid Public Hearing on the Extension of the Estate Tax Amnesty Availment on May 4, 2021

Hopefully, presently locked estates could finally be put to more productive use under the auspices of new-generation owners.

STSRO Commemorates 32nd Foundation Anniversary

Atty. Sherry Anne C. Salazar
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"A machinery in the Senate to assess and monitor on a continuing basis the relative merits of the revenue raising system in the country and recommend alternative sources and forms of revenue such as taxes, tariffs, and fees."

The Senate Tax Study and Research Office (STSRO) was born during the 8th Congress when this august Chamber adopted **Senate Resolution No. 52**. This Resolution, entitled "*Resolution Creating the Senate Tax Study and Research Office, Administratively under the Office of the Senate President and Functionally under the Senate Committee on Ways and Means*", was approved on May 5, 1989. The Senate leadership recognized the potential of the STSRO, and decided to convert the same into a regular office under the Office of the Senate Secretary (OSEC) by virtue of *Special Order No. 93-34 (OSP)*.[1] The office was further restructured as part of the overall restructuring of the Senate Secretariat pursuant to *Policy Order No. 94-10 (OSP)* dated June 27, 1994.

From the onset, STSRO was entrusted to provide technical assistance to the Chairperson and Members of the Committee on Ways and Means, as well as other Members of the Senate with research, collation, and analysis of pertinent fiscal and management information for proper legislative action. The STSRO also serves as the secretariat for technical and administrative matters of five (5) oversight committees, to wit:

1. Congressional Oversight Committee on the Comprehensive Tax Reform Program (COCCTRP) pursuant to Section 290 of RA 8424;

2. Congressional Oversight Committee on the Official Development Assistance (COCODA) pursuant to Section 8 of RA 8182;

3. Congressional Oversight Committee on the Tax Incentives Management and Transparency Act (COCTIMTA) pursuant to Section 9 of RA 10708;

4. Congressional Customs and Tariff Oversight Committee (CCTOC) pursuant to Section 1700 of RA 10863; and

5. Congressional Oversight Committee on Illicit Trade on Excisable Products pursuant to Section 10 of RA 11467.

as well as the monitoring of Local Water Districts pursuant to Section 2 of RA 10026.

The STSRO has been at the forefront in the task of studying, and hurdling taxation bills in the legislative mill since its inception. From simple tax measures to landmark legislation that have shaped the country's tax system, our office has always strived to provide timely and efficient service to the Committee on Ways and Means, and to the other legislators of this Chamber. In its 32 years of service in the Senate, the STSRO is proud to be a part of the legislative history of numerous tax statutes, notable of which are as follows:

1. RA 7167 – Adjusting the Basic Personal and Additional Exemptions Allowable to Individuals for Income Tax Purposes to the Poverty Threshold Level (1991);

2. RA 7369 – Granting Tax and Duty Exemption and Tax Credit on Capital Equipment (1992);

3. RA 8424 – Tax Reform Act of 1997;

4. RA 9504 – Income Tax Exemption of Minimum Wage Earners and Increase in the Amount of Personal and Additional Exemption Allowances (2008);

5. RA 10026 – Granting Income Tax Exemption to Local Water Districts (2009);

6. RA 10351 – Restructuring the Excise Tax on Alcohol and Tobacco Products (2012);

7. RA 10708 – Tax Incentives Management and Transparency Act (2015);

8. RA 10863 – Customs Modernization and Tariff Act (2016);

9. RA 10963 – Tax Reform for Acceleration and Inclusion (2017);

10. RA 11213 – Tax Amnesty Act (2019); and

11. RA 11534 – Corporate Recovery and Tax In-

centives for Enterprises Act (2021).

While taxation bills are at the heart of STSRO's mandate, the officers and staff have never lost sight of the value of ***giving back*** for all the blessings that the STSRO has received throughout the years. It has been an annual tradition for the office to conduct charitable events during its anniversary month, and also during the holiday season. Most recently, jumping on the *community pantry* spirit, the office also held its own version by handing out gift bags to the PHILCARE members, and security guards stationed at the Senate. This is in recognition of their invaluable service in maintaining the cleanliness and safety of the Senate premises especially during this pandemic.

The STSRO family has grown tremendously from how it was way back in 1989. With the wealth of experience and talent that it has achieved throughout its service at the Senate, more is indeed expected from this office in the years to come. We are still far from perfecting our craft but with perseverance, dedication, and good camaraderie, the STSRO will remain to be a reliable technical office, and a valuable part of this honorable institution.

Reference

1 This SO was approved on August 30, 1993.

The Bases Conversion and Development Authority (BCDA) is a development corporation bestowed with key corporate powers under RA 7227 or the Bases Conversion and Development Act of 1992. Signed into law by President Corazon C. Aquino on March 13, 1992, the BCDA Charter was amended in 1995 by RA 7917 and further amended by RA 9400 in 2007. Primarily, BCDA takes its objective and direction through its Charter, as it complies to the task of responsible stewardship of state resources, and adheres to its mission of "building great cities while strengthening the Armed Forces of the Philippines (AFP)."

As an Investment Promotion Agency (IPA), its thrust in expanding economic opportunities in the country is echoed within the freeport and special economic zones and its subsidiaries – the Clark Development Corporation, the Poro Point Management Corporation and the John Hay Management Corporation, among others. Likewise, BCDA is uniquely positioned to transform former military bases into alternative beneficial civilian use. Beyond the economic value it creates, it is also committed to uplifting the well-being of the Filipinos and shoring up the competence of the AFP.

Alongside the aforementioned initiatives, BCDA engages in public-private partnerships that push forward the "Build Build Build" or the Philippine government's flagship infrastructure plan. Among its key infrastructure projects are the New Clark City, Clark International Airport New Terminal Building, and the Subic-Clark Railway Project. These are deemed to pave the way for the realization of creating more jobs, furthering tourism and attracting more investments in the country.

Before the passage of RA 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act on March 26, 2021, various IPAs have been administering the grant of applicable fiscal and non-fiscal incentives – pursuant to various charters and statutes – to registered business enterprises.

However, the enactment of the CREATE Act has repealed the incentive provisions of the charters of all IPAs, including BCDA. As provided, IPAs have maintained their functions based on the laws governing them, except to the extent as modified by the new law. Aside from adjusting the Corporate Income Tax rate, the VAT rates of certain transactions, and introducing various amendments to the Tax Code, the law has rationalized and modernized the grant of tax incentives for registered business enterprises.

Upon the full implementation of the law, all IPAs and other incentives-administering entities shall cease to grant incentives to registered activities based on their respective Charters and shall commence compliance to the provisions of the new Title XIII of the NIRC, with respect to the grant of incentives. Hence, promoting a fair and accountable incentive system that is performance-based, targeted, time-bound, and transparent.

E-Vehicles: Incentives to Drive Industry and Sustainability

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During the Paris Agreement in 2015, the Philippines submitted a target to the United Nations Framework Convention on Climate Change (UNFCCC) of reducing carbon emissions by 70% by 2030. In line with this, the National Climate Change Action Plan (NCCAP) was formulated, which includes the prioritization of environmentally sustainable transport strategies and fuel conservation utilizing hybrid transport systems such as electric and hydrogen-fueled vehicles. [1]

Transportation tops as the largest source of air pollution, and energy-related greenhouse gases (GHG) in the Philippines – covering 36% of total GHGs recorded in 2010.[2] Of the figure, road transport is responsible for 80% of GHGs from the transport sector. [3]

Less than nine years before the 2030 deadline, Senate Bill No. 1382 or the "*Electric Vehicles (EV) and Charging Stations Act*" is underway as it is approved on Third Reading by the Senate on May 31, 2021. SBN 1382 is primarily referred to the Committee on Energy and secondarily referred to the Committees on Public Services, Trade, Commerce and Entrepreneurship, and Ways and Means. The bill intends to provide the regulatory framework and national energy policy for the use of EVs and to establish electric charging stations throughout the country. In turn, the bill shall ensure the country's energy security and independence by reducing reliance on imported fuel, and also promote innovation and sustainability in the transportation sector.

A major feature of the bill is the formulation of the *Comprehensive Roadmap on Electric Vehicles* (CREV). It is the national plan that shall include the following: electric vehicles and charging stations; manufacturing; research and development; and human resource development. As explained in the bill, the CREV shall be implemented similarly to the Comprehensive Automotive Resurgence Strategy (CARS) program wherein major industry players are required to manufacture a certain quantity of car units in exchange for fiscal incentives within a given timeframe. [4] Likewise, the CREV shall set production targets to be achieved within seven years from the promulgation of the incentive strategy.

According to the Department of Trade and Industry (DTI) – Board of Investments (BOI), the specified production targets of the CREV shall be the following: [5]

- ◊ At least 10,000 units annually of locally produced jeepneys to replace 35% of its current total population;
- ◊ At least 15,000 units annually of locally produced tricycles to replace 15% of its current total population;
- ◊ At least 300 units annually of locally produced buses to replace 5% of its current total population;
- ◊ At least 150,000 units annually of locally produced motorcycles to replace 5.5% of its current total population;
- ◊ At least 30,000 units annually of locally produced commercial vehicles to replace 2.5% of its current total population; and
- ◊ At least 30,000 units annually of locally produced passenger cars to replace 2.5% of its current total population.

In order to attract major players to manufacture EVs, and to attract consumers to purchase and use the same, the promotion of EVs shall come with numerous incentives that shall cover the manufacture, importation, and utilization of EVs and charging stations.

Fiscal incentives are granted for the manufacture of EVs. Activities such as the assembly of EVs, manufacture of parts and components, and the establishment and operations of charging stations are included. However, the granting of incentives shall still undergo an evaluation process to determine their inclusion in the strategic investment priority plan (SIPP) to be entitled to the incentives under Executive Order 226, or the "*Omnibus Investments Code of 1987*," as amended by RA 11534 or the "*Corporate Recovery and Tax Incentives for Enterprises Act*" (CREATE) such as income tax holiday and the special corporate income tax.

Importation of EV units shall be entitled to incentives under RA 10963 or the "*Tax Reform for Acceleration and Inclusion Act*" (TRAIN) which is the ex-

emption of purely electric vehicles and pick-ups from excise tax on automobiles. However, tax incentives for imported electric jeepneys and electric tricycles may be suspended by the Department of Finance, upon recommendation of the DTI, in order to protect local manufacturers. Moreover, the importation of charging station units shall be exempt from the payment of duties for nine years upon enactment.

Motorists that would choose to shift to EVs shall be entitled to 30% discount from the payment of the motor vehicle user's charge imposed by the Land Transportation Office (LTO). The 30-percent discount is also applicable to vehicle registration and inspection fees. These incentives for EV users shall also be available for nine years upon enactment.

SBN 1382 was sent to the House of Representatives for concurrence on June 1, 2021.[6] The passage of this bill is highly sought as it can be one of the solutions to the numerous problems not only in the transportation sector but also the energy sector in the country. With the policy framework for EVs and electric charging stations in place, coupled by the various fiscal and non-fiscal incentives, the EVs shall drive industry and sustainability.

References:

1 National Climate Change Action Plan 2011 – 2028. Retrieved from http://climate.emb.gov.ph/wp-content/uploads/2016/06/NCCAP-1.pdf on June 7, 2021.

2 National Climate Change Action Plan 2011 – 2028. Retrieved from http://climate.emb.gov.ph/wp-content/uploads/2016/06/NCCAP-1.pdf on June 7, 2021.

3 Retrieved from http://www.transferproject.org/projects/transfer-partner-countries/philippines/ on June 7, 2021.

4 Executive Order 182 or the Comprehensive Automotive Resurgence Strategy Program.

5 DTI-BOI Position Paper dated January 20, 2021.

6 Senate Bill 1382 Legislative History. Retrieved from http://legacy.senate.gov.ph/lis/bill_res.aspx?congress=18&q=SBN-1382 on June 15, 2021.

Photo by Mike Gonzalez (commons.wikimedia.org)

Supreme Court Decisions on Proprietary Educational Institutions and Hospitals

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Commissioner of Internal Revenue vs. St. Luke's Medical Center, Inc. *(G.R. No. 195909, September 26, 2012)*; and **St. Luke's Medical Center, Inc. vs. Commissioner of Internal Revenue** *(G.R. No. 195960)*

Facts:

The Bureau of Internal Revenue (BIR) assessed St. Luke's deficiency taxes pursuant to Section 27(B) of the Tax Code which imposes a 10% preferential tax rate on the income of proprietary non-profit hospitals. The BIR argued that *"it is a new provision intended to amend the exemption on non-profit hospitals that were previously categorized as non-stock, non-profit corporations under Section 26 of the 1997 Tax Code. It is a specific provision which prevails over the general exemption on income tax grant-*

ed under Section 30(E) and (G) for non-stock, non-profit charitable institutions and civic organizations promoting social welfare."

St. Luke's filed an administrative protest with the BIR against the deficiency tax assessments. St. Luke's maintained that it is a non-stock and non-profit institution for charitable and social welfare purposes under Section 30(E) and (G) of the NIRC. It argued that the making of profit per se does not destroy its income tax exemption and that its income does not inure to the benefit of any individual.

The Court of Tax Appeals (CTA) held that Section 27(B) of the present NIRC does not apply to St. Luke's. The CTA explained that to apply the 10% preferential rate, Section 27(B) requires a hospital to be *"non-profit."* On the other hand, Congress specifically used the word *"non-stock"* to qualify a charitable "corporation or association" in Section 30(E) of the NIRC. According to the CTA, this is unique in the present tax code, indicating an intent to exempt this type of charitable organization from income tax. Section 27 (B) does not require that the hospital be *"non-stock."* The CTA stated, *"it is clear that non-stock, non-profit hospitals operated exclusively for charitable purpose are exempt from income tax on income received by them as such, applying the provision of Section 30(E) of the NIRC of 1997, as amended."*

The CTA adopted the test in ***Hospital de San Juan de Dios, Inc. v. Pasay City***, which states that *"a charitable institution does not lose its charitable character and its consequent exemption from taxation merely because recipients of its benefits who are able to pay are required to do so, where funds derived in this manner are devoted to the charitable purposes of the institution x x x."*

Issue:

Whether or not St. Luke's is liable for deficiency income tax in 1998 under Section 27(B) of the NIRC, which imposes a preferential tax rate of 10% on the income of proprietary non-profit hospitals.

Ruling:

Supreme Court (SC) held that Section 27(B) of the NIRC does not remove the income tax exemption of proprietary non-profit hospitals under Section 30(E) and (G). Section 27(B) on one hand, and Section 30 (E) and (G) on the other hand, can be construed together without the removal of such tax exemption. The effect of the introduction of Section 27(B) is to subject the taxable income of two specific institutions, namely, proprietary non-profit educational institutions and proprietary non-profit hospitals, among the institutions covered by Section 30, to the 10% preferential rate under Section 27(B) instead of the ordinary 30% corporate rate under the last paragraph of Section 30 in relation to Section 27(A)(1).

Section 27(B) of the NIRC imposes a 10% preferential tax rate on the income of (1) proprietary non-profit educational institutions and (2) proprietary non-profit hospitals. The only qualifications for hospitals are that they must be proprietary and non-profit. "Proprietary" means private, following the definition of a "proprietary educational institution" as "any private school maintained and administered by private individuals or groups" with a government permit. "Non-profit" means no net income or asset accrues to or benefits any member or specific person, with all the net income or asset devoted to the institution's purposes and all its activities conducted not for profit. (emphasis supplied)

As a general principle, a charitable institution does not lose its character as such and its exemption from taxes simply because it derives income from paying patients, whether out-patient, or confined in the hospital, or receives subsidies from the government, so long as the money received is devoted or used altogether to the charitable object which it is intended to achieve; and no money inures to the private benefit of the persons managing or operating the institution.

There is no dispute that St. Luke's is organized as a non-stock and non-profit charitable institution. However, this does not automatically exempt St. Luke's from paying taxes. This only refers to the organization of St. Luke's. Even if St. Luke's meets the test of charity, a charitable institution is not ipso facto tax exempt. To be exempt from real property taxes, **Section 28(3), Article VI of the Constitution** requires that a charitable institution use the property "actually, directly and exclusively" for charitable purposes. To be exempt from income taxes, Section 30 (E) of the NIRC requires that a charitable institution must be "organized and operated exclusively" for charitable purposes.

Even if the charitable institution must be "organized and operated exclusively" for charitable purposes, it is nevertheless allowed to engage in "activities conducted for profit" without losing its tax exempt status for its not-for-profit activities. The only consequence is that the "income of whatever kind and character" of a charitable institution "from any of its activities conducted for profit, regardless of the disposition made of such income, shall be subject to tax." Prior to the introduction of Section 27(B), the tax rate on such income from for-profit activities was the ordinary corporate rate under Section 27(A). With the introduction of Section 27(B), the tax rate is now 10%.

A tax exemption is effectively a social subsidy granted by the State because an exempt institution is spared from sharing in the expenses of government and yet benefits from them. Tax exemptions for charitable institutions should therefore be limited to institutions beneficial to the public and those which improve social welfare. A profit-making entity should not be allowed to exploit this subsidy to the detriment of the government and other taxpayers.

Wherefore, St. Luke's Medical Center, Inc. is ORDERED TO PAY the deficiency income tax in 1998 based on the 10% preferential income tax rate under Section 27(B) of the National Internal Revenue Code.

Note: A case between **St. Luke's Medical Center and the BIR** *(G.R. No. 203514, February 13, 2017)* raising essentially the same arguments was rendered moot by the SC decision in this case.

Image by 123rf.com

COMMISSIONER OF INTERNAL REVENUE vs. DE LA SALLE UNIVERSITY, INC. *(G.R. No. 196596 November 9, 2016)*

Facts:

In 2004, the Bureau of Internal Revenue (BIR) issued a Letter of Authority (LOA) covering the tax audit of De La Salle University (DLSU)'s fiscal year 2003 and unverified prior years. Consequently, the BIR issued a Preliminary Assessment Notice (PAN) and, eventually, a Final Assessment Notice (FAN) assessing DLSU for deficiency taxes income tax on rental of property, VAT on business and DST on loans. The BIR argued that while DLSU is a non-stock, non-profit school, it is liable for taxes on income from its property (Section 30 of the Tax Code).

DLSU questioned the assessment saying that the LOA is void as it covers unverified prior years. Moreover, DLSU insisted that it is not liable to the assessed deficiency taxes because all its income/ revenues are actually, directly and exclusively used for educational purposes.

Issues:

(1) Whether or not the tax assessments arising from LOA covering unverified prior years are valid.

(2) Whether or not the revenues of DLSU used actually, directly and exclusively for educational purposes are tax-exempt.

Ruling:

(1) The LOA issued by BIR to DLSU is void only as far as the unverified prior years are concerned. However, the LOA, as well as, the FAN for 2003 is valid. RMO 43-90 prohibits the issuance of LOA covering audit of unverified prior years. However, the rule does not say that the LOA is void. It merely prescribes that if the audit includes several years, the periods must be specified. Otherwise, the audit of the unspecified years shall be void. Thus, if the LOA covers 2003 and unverified prior years, the same is not entirely void. The audit for 2003 will be valid.

(2) A non-stock, non-profit educational institution whose revenues and assets are exempt from tax provided that they are actually, directly and exclusively used for educational purposes. The tax exemption granted to non-stock, non-profit educational institutions is conditional only on the actual, direct and exclusive use of their revenues and assets for educational purposes. The constitutional provision does not require that the revenues and income must have been sourced from educational activities or activities related to the purposes of an educational institution

Expounded Ruling (2):

DLSU rests it case on Article XIV, Section 4 (3) of the 1987 Constitution, which reads:

> (3) **All revenues and assets of non-stock, non-profit educational institutions used actually, directly, and exclusively for educational purposes shall be exempt from taxes and duties.** Upon the dissolution or cessation of the corporate existence of such institutions, their assets shall be disposed of in the manner provided by law.
>
> **Proprietary educational institutions**, including those cooperatively owned, **may likewise be entitled to such exemptions subject to the limitations provided by law** including restrictions on dividends and provisions for reinvestment. [underscoring and emphasis supplied]

The Commissioner opposes DLSU's claim for tax exemption on the basis of Section 30 (H) of the Tax Code. The relevant text reads:

> The following organizations **shall not be taxed under this Title** [Tax on Income] in respect to income received by them as such:
>
> x x x x
>
> (H) A non-stock and non-profit educational institution
>
> x x x x
>
> Notwithstanding the provisions in the preceding paragraphs, the income of whatever kind and character of the foregoing organizations from any of their properties, real or personal, or from

any of their activities conducted for profit regardless of the disposition made of such income shall be subject to tax imposed under this Code. [underscoring and emphasis supplied]

In its Ruling the Court notes that:

The constitutional provision refers to two kinds of educational institutions: (1) non-stock, non-profit educational institutions and (2) proprietary educational institutions. DLSU falls under the first category. Even the Commissioner admits the status of DLSU as a nonstock, non-profit educational institution.

While DLSU's claim for tax exemption arises from and is based on the Constitution, the Constitution, in the same provision, also imposes certain conditions to avail of the exemption.

There is a marked distinction between the treatment of non-stock, non-profit educational institutions and proprietary educational institutions. **The tax exemption granted to nonstock, non-profit educational institutions is conditioned only on the actual, direct and exclusive use of their revenues and assets for educational purposes**. While tax exemptions may also be granted to proprietary educational institutions, these exemptions may be subject to limitations imposed by Congress.

The marked distinction between a non-stock, non-profit and a proprietary educational institution is crucial in determining the nature and extent of the tax exemption granted to non-stock, non-profit educational institutions.

The Commissioner posits that the 1997 Tax Code qualified the tax exemption granted to non-stock, non-profit educational institutions such that the revenues and income they derived from their assets, or from any of their activities conducted for profit, are taxable even if these revenues and income are used for educational purposes.

The Court clarified that the 1997 Tax Code did not qualify the tax exemption constitutionally-granted to non-stock, non-profit educational institutions.

In the YMCA case *(G.R. No. 124043, 298 SCRA 83, October 14, 1998)*, the Court made doctrinal pronouncements that are relevant to the present case.

The issue in YMCA was whether the income derived from rentals of real property owned by the YMCA, established as a "welfare, educational and charitable non-profit corporation," was subject to income tax under the Tax Code and the Constitution.

In the YMCA case the Court denied claim for exemption on the ground that “as a charitable institution falling under **Article VI, Section 28 (3) of the Constitution**, the YMCA is not tax-exempt per se; " what is exempted is not the institution itself... those exempted from real estate taxes are lands, buildings and improvements actually, directly and exclusively used for religious, charitable or educational purposes."

On YMCA’s further claim of exemption under Article XIV, Section 4 (3) of the Constitution, the Court held that the term educational institution, when used in laws granting tax exemptions, refers to the school system (synonymous with formal education); it includes a college or an educational establishment; it refers to the hierarchically structured and chronologically graded learnings organized and provided by the formal school system.

The Court held that the exemption claimed by the YMCA is expressly disallowed by the last paragraph of then Section 27 (now Section 30) of the Tax Code, which mandates that the income of exempt organizations from any of their properties, real or personal, are subject to the same tax imposed by the Tax Code, regardless of how that income is used. The Court ruled that the last paragraph of Section 27 unequivocally subjects to tax the rent income of the YMCA from its property.

In short, the **YMCA is exempt only from property tax but not from income tax**. The Court then laid down the requisites for availing the tax exemption under Article XIV, Section 4 (3), namely: **(1) the taxpayer falls under the classification non-stock, nonprofit educational institution; and (2) the income it seeks to be exempted from taxation is used actually, directly and exclusively for educational purposes**.

Adopting the YMCA as precedent the Court holds that:

1. The last paragraph of Section 30 of the Tax Code is without force and effect with respect to non-stock, non-profit educational institutions, provided, that the non-stock, non-profit educational institutions prove that its assets and revenues are used actually, directly and exclusively for educational purposes.

2. The tax-exemption constitutionally-granted to non-stock, non-profit educational institutions, is not subject to limitations imposed by law.

The Court further noted that the addition and express use of the word revenues in Article XIV, Section 4 (3) of the Constitution is not without significance. The text demonstrates the policy of the 1987 Constitution, discernible from the records of the 1986 Constitutional Commission to provide broader tax privilege to non-stock, non-profit educational institutions as recognition of their role in assisting the State provide a public good. The tax exemption was seen as beneficial to students who may otherwise be charged unreasonable tuition fees if not for the tax exemption extended to **all rev-**

enues and assets of non-stock, non-profit educational institutions.

Further, a plain reading of the Constitution would show that Article XIV, Section 4 (3) does not require that the revenues and income must have also been sourced from educational activities or activities related to the purposes of an educational institution. The phrase all revenues is unqualified by any reference to the source of revenues. Thus, so long as the revenues and income are used actually, directly and exclusively for educational purposes, then said revenues and income shall be exempt from taxes and duties.

We find it helpful to discuss at this point the taxation of revenues versus the taxation of assets.

Revenues consist of the amounts earned by a person or entity from the conduct of business operations. It may refer to the sale of goods, rendition of services, or the return of an investment. Revenue is a component of the tax base in income tax, VAT, and local business tax (LBT).

Assets, on the other hand, are the tangible and intangible properties owned by a person or entity. It may refer to real estate, cash deposit in a bank, investment in the stocks of a corporation, inventory of goods, or any property from which the person or entity may derive income or use to generate the same. In Philippine taxation, the fair market value of real property is a component of the tax base in real property tax (RPT). Also, the landed cost of imported goods is a component of the tax base in VAT on importation and tariff duties.

Thus, when a non-stock, non-profit educational institution proves that it uses its revenues actually, directly, and exclusively for educational purposes, it shall be exempted from income tax, VAT, and LBT. On the other hand, when it also shows that it uses its assets in the form of real property for educational purposes, it shall be exempted from RPT.

To be clear, proving the actual use of the taxable item will result in an exemption, but the specific tax from which the entity shall be exempted from shall depend on whether the item is an item of revenue or asset.

To illustrate, if a university leases a portion of its school building to a bookstore or cafeteria, the leased portion is not actually, directly and exclusively used for educational purposes, even if the bookstore or canteen caters only to university students, faculty and staff.

The leased portion of the building may be subject to **real property tax**, as held in *Abra Valley College, Inc. v. Aquino*. We ruled in that case that the test of exemption from taxation is the use of the property for purposes mentioned in the Constitution. We also held that the exemption extends to facilities which are incidental to and reasonably necessary for the accomplishment of the main purposes.

In concrete terms, the lease of a portion of a school building for commercial purposes, removes such asset from the **property tax** exemption granted under the Constitution. There is no exemption because the asset is not used actually, directly and exclusively for educational purposes. The commercial use of the property is also not incidental to and reasonably necessary for the accomplishment of the main purpose of a university, which is to educate its students.

However, if the university actually, directly and exclusively uses for educational purposes the revenues earned from the lease of its school building, such revenues shall be exempt from taxes and duties. The tax exemption no longer hinges on the use of the asset from which the revenues were earned, but on the actual, direct and exclusive use of the revenues for educational purposes.

Parenthetically, income and revenues of non-stock, non-profit educational institution not used actually, directly and exclusively for educational purposes are not exempt from duties and taxes. To avail of the exemption, the taxpayer must factually prove that it used actually, directly and exclusively for educational purposes the revenues or income sought to be exempted.

The crucial point of inquiry then is on the use of the assets or on the use of the revenues. These are two things that must be viewed and treated separately. But so long as the assets or revenues are used actually, directly and exclusively for educational purposes, they are exempt from duties and taxes.

That the Constitution treats non-stock, non-profit educational institutions differently from proprietary educational institutions cannot be doubted. As discussed, the privilege granted to the former is conditioned only on the actual, direct and exclusive use of their revenues and assets for educational purposes. In clear contrast, the tax privilege granted to the latter may be subject to limitations imposed by law.

We spell out below the difference in treatment if only to highlight the privileged status of non-stock, non-profit educational institutions compared with their proprietary counterparts.

While a non-stock, non-profit educational institution is classified as a tax-exempt entity under Section 30 (Exemptions from Tax on Corporations) of the Tax Code, a proprietary educational institution is covered by Section 27 (Rates of Income Tax on Domestic Corporations).

To be specific, Section 30 provides that exempt organizations like non-stock, non-profit edu-

cational institutions shall not be taxed on income received by them as such. Section 27 (B), on the other hand, states that "[p]roprietary educational institutions ... which are nonprofit shall pay a tax of ten percent (10%) on their taxable income .. . Provided, that if the gross income from unrelated trade, business or other activity exceeds fifty percent (50%) of the total gross income derived by such educational institutions ... [the regular corporate income tax of 30%] shall be imposed on the entire taxable income ... "

By the Tax Code's clear terms, a proprietary educational institution is entitled only to the reduced rate of 10% corporate income tax. The reduced rate is applicable only if: (1) the proprietary educational institution is nonprofit and (2) its gross income from unrelated trade, business or activity does not exceed 50% of its total gross income. Consistent with Article XIV, Section 4 (3) of the Constitution, these limitations do not apply to non-stock, non-profit educational institutions.

Thus, we declare the last paragraph of Section 30 of the Tax Code without force and effect for being contrary to the Constitution insofar as it subjects to tax the income and revenues of non-stock, non-profit educational institutions used actually, directly and exclusively for educational purpose. We make this declaration in the exercise of and consistent with our duty to uphold the primacy of the Constitution.

Finally, we stress that our holding here pertains only to non-stock, non-profit educational institutions and does not cover the other exempt organizations under Section 30 of the Tax Code.

For all these reasons, we hold that the income and revenues of DLSU proven to have been used actually, directly and exclusively for educational purposes are exempt from duties and taxes.

Photo by the Court of Tax Appeals (http://cta.judiciary.gov.ph/)

CTA Tax Case Digest

ERNESTO TAMPARONG, JR. vs. COMMISSIONER OF INTERNAL REVENUE

CTA Case No. 9520; Promulgated: June 8, 2021

Johann Francis A. Guevarra
LSO III, Legal and Tariff Branch

Facts:

Casimiro Tamparong, Sr. (Casimiro, Sr.) and Felisa were blessed with three (3) children – Ernesto, Sr., Briccio and Casimiro, Jr. (all surnamed Tamparong). On September 20, 1972, Casimiro, Sr. died without a will. Soon thereafter, Briccio initiated an intestate proceeding for the settlement of his father's estate with the Court of First Instance of Misamis Oriental, Cagayan de Oro City.

He was appointed as the administrator of his father's intestate estate. Less than a year later, on June 9, 1973, Felisa died. This time she left a will. Subsequently, Briccio filed a petition for the probate of his mother's will. Eventually, the intestate proceeding of Casimiro, Sr.'s estate and the petition for the probate of Felisa's will were consolidated with Briccio as the administrator and executor.

Veronica, daughter of Ernesto, later on replaced Briccio as administrator of both Casimiro, Sr. and Felisa's estate. On December 5, 2016, Veronica obtained a copy of the Notice of Sale issued by respondent RD Geraldina against Briccio's estate. Felisa's property was included in the list of properties belonging to Briccio, which were set to be auctioned to pay off his estate's tax liabilities. Veronica sought that the property be excluded from the auction sale for the satisfaction of the tax liabilities of Briccio's estate.

A day before the scheduled auction sale, or on January 17, 2017, petitioner filed the instant Petition for Review before the Court of Tax Appeals (CTA). The petition included a "Very Urgent Application for TRO, Writ of Preliminary Injunction and/or Status Quo Ante Order".

Respondent CIR opposed the motion and sought the dismissal of the case on the ground of lack of jurisdiction. Accordingly, the assessment for estate tax liability has already attained finality and collection remedies may be pursued.

In a Resolution dated April 17, 2017, the CTA denied respondent's Motion to Dismiss stating that the lack of jurisdiction on its part was not clearly evident and that the factual issues raised would be better threshed out in a full-blown trial. As for petitioner's

prayer for the issuance of a TRO, writ of preliminary injunction and/or status quo ante order, the CTA likewise denied them.

Petitioner essentially argues that the assessment for estate tax liability against the estate of Briccio is erroneous for including property not belonging to it. The subject property clearly belonged to the estate of Felisa as evidenced by a Certificate of Title, even though the tax declaration showed the name of Briccio as owner.

Petitioner maintains that the Notice of Auction Sale is invalid for including a property not belonging to Briccio's estate. The NIRC of 1997, as Amended, provides that an estate tax is based on all properties of the decedent at the time of death. It was erroneous for respondents to include a property belonging to Felisa's estate. Hence, the assessment and the auction sale should be annulled.

Issues:

1. Whether the Honorable Court has jurisdiction over the instant petition;

2. Whether Petitioner Ernesto Tamparong, Jr. has a cause of action against respondent CIR, et al.;

3. Whether Respondent BIR, et al. committed grave and reversible errors amounting to lack of jurisdiction when they still included, despite notice, in the list of properties to be auctioned to settle taxes due from the estate of Briccio Tamparong, the subject property registered in the name of and belonging to the late Felisa Neri Vda. De Tamparong.

Ruling:

1. The assessment against the Estate of Briccio Tamparong has attained finality. Thus, the court failed to acquire jurisdiction.

As provided under Sec. 228 (Protesting of Assessment) of the Tax Code, when the Commissioner or his duly authorized representative finds proper taxes should be assessed, he shall first notify the taxpayer of his findings. Such assessment may be protested administratively by filing a request for reconsideration or reinvestigation within thirty (30) days from receipt of the assessment in such form and manner as may be prescribed by implementing rules and regulations.

As a general rule, tax assessments by tax examiners are presumed correct and made in good faith. It is based on sufficient evidence. Upon the introduction of the assessment in evidence, a prima facie case of liability on the part of the taxpayer is made. Even if a taxpayer files a petition for review in the CTA, the presumption is that the assessment made by the BIR is correct.

The estate of Briccio was amiss in disputing the assessment and discharging the burden of overcoming the presumption. Petitioner cannot now belatedly attack what has already become final for being erroneous.

2. Petitioner is not a real party in interest

Petitioner is not a real party in interest with respect to the estate tax assessment against Briccio's estate. In tax assessments, it is the taxpayer who disputes the same. Here, petitioner is neither the taxpayer nor acting for and in behalf of the estate of Briccio. Petitioner's interest lies only with the subject property and not on the whole estate of Briccio subject of the estate tax assessment.

Injunction will not lie to exclude the subject property from the auction sale. As a rule, no court shall have the authority to grant an injunction to restrain the collection of any revenue tax, fee or charge imposed by the Tax Code.

It is noteworthy that to date, the probate of Felisa's will is still pending before the RTC-CDO, Branch 18. Ascertaining the rights over the subject property and those entitled thereto is clearly outside the CTA's jurisdiction and to exercise the same will be impinging upon the authority of the probate court to do so. The settlement of the estate of a deceased person lies with the latter court, to the exclusion of other courts.

Forthwith, the petition for review filed by Ernesto Tamparong, Jr., as represented by Atty. Jose Voltaire Bautista, is denied for lack of jurisdiction.

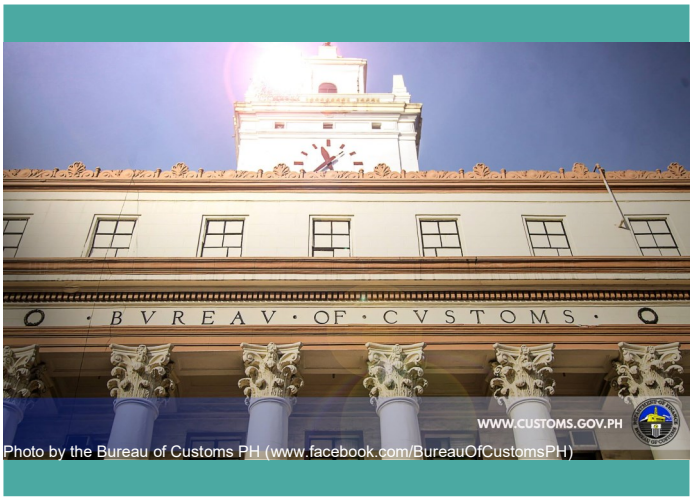

Photo by the Bureau of Customs PH (www.facebook.com/BureauOfCustomsPH)

In This Corner:

Philippine Customs Modernization Program

Romeo E. Regacho
LSO III, Legal and Tariff Branch

The Bureau of Customs, on March 26, 2021, officially launched one of the major projects of the

government, the Philippine Customs Modernization Program (PCMP).[1] The Program seeks to achieve global standard in, and a fully modernized customs operations by, 2024.[2] The World Bank first introduced this program in 2017, and was only approved on March 6, 2020 by the NEDA Investment Coordination Committee-Cabinet Committee. The total cost of the project is estimated at US$104.38 million wherein $88.28 million will be funded through the development assistance of World Bank, and the balance will be handled by the National Government.[3] Said loan was approved by the World Bank on October 27, 2020.[4]

Simultaneous with the launch of the program, a joint memorandum circular (JMC) was signed, creating a steering committee that will lead PCMP's implementation, and address the need to upgrade and standardize BOC's ICT systems, operational networks, and organizational structure.[5] The PCMP is seen to elevate the country's customs administration through streamlining, automation, and development of a world-class customs processing system (CPS).[6]

The CPS serves as the single and unified system that combines all the key elements and customs procedures.[7] It puts together the key characteristics of the E2M customs module, and additional functionalities that will promote business continuity despite restrictive conditions. The result will be a more effective and efficient Bureau that can operate and perform its mandate amidst adverse situations that might occur in the future, such as in the case of the current pandemic.[8]

Risk-Based Compliance Management is at the core of the new operating model of the CPS. This means that it will adopt a more sophisticated risk management and cargo targeting capability, together with modernized non-intrusive inspection services that provide the detection and control capability.[9] A new technology known as *Remote Image Analysis Centers* (RIACs) will facilitate the receiving and analysis of radioscopic images sent from operational scanner sites in real time. This will also translate to a more efficient manner of analyzing X-ray images of shipments, thereby improving detection capabilities that will ensure faster inspection of all shipments.[10] As the RIACs are also integrated into the CPS, this will hopefully help the BOC modernize its non-intrusive inspection technology and processes. Further, it is hoped that this new system will also curb corruption at the Bureau as it will eliminate face to face interactions between officials and traders during the inspection process. If this will be implemented, then it might also resolve the problem plaguing the handling of OFWs' *balikbayan* boxes in recent years.

Another important factor of this modernization program is the *State-of-the-Art Data Center*, which has the infrastructure required to run ICT solutions and bring new and improved network connectivity to BOC offices nationwide, eliminating downtime and providing disaster recovery.[11] Lastly, organizational modernization or revving up of the organizational structure is also a vital core component of the PCMP. Taking advantage of the new ICT systems, there will be a need to get people who will handle new responsibilities particularly those that will cater to high-value functions such as risk management, intelligence, and post-clearance audit. Training and skills enhancement programs will be implemented on a continuing basis for employees to adapt to new jobs and responsibilities.[12]

The BOC Commissioner, Gen Rey Leonardo Guerrero (Ret), lamented that the Bureau fell behind international standards due to lack of needed technology, and other vital resources, which led to opportunities for corrupt practices.[13] Commissioner Guerrero is optimistic that with the program, the BOC will be able to upgrade all of its essential services, and at the same time allocate resources for value added activities such as registration, targeting, and audit.[14]

The world is constantly transforming into a more digital platform, and delivery of services must be at par with the new global standard. This is the direction that the National Government must also aim for. The PCMP is indeed a step towards this goal, and hopefully the Bureau will be able to implement this project according to its intended purposes.

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Unboxed

Sabong Online Betting in the Philippines

Elsie T. Jesalva
SLSO II, Indirect Taxes Branch

"Sabong" or the placing of bets on live cock-fighting is an established tradition in the Philippines, dating as far back as 3,000 years ago. This gaming activity involves placing two roosters/ cocks in an arena and betting on which between the two will come out victorious. With technological advances, *sabong* was reinvented so that patrons can place bets via online platforms. Thus, *e-sabong* became more popular during the COVID-19 pandemic with the closure of physical cockpits. ***"E-sabong"*** is defined as the online or remote or off-site wagering or betting on live cockfighting matches, events, and/or activities streamed or broadcasted live from cockpit arena(s) licensed or authorized by the local government units (LGUs) having jurisdiction thereof. [1]

Under the current system, **live cockfighting in cockpit arenas is regulated by the LGU concerned** while ***e-sabong* is regulated by the Philippine Amusement and Gaming *Corporation* (PAGCOR)**. The latter charges *e-sabong* operators with a fixed regulatory fee amounting to only P12,500 per fight or a minimum guaranteed fee of P75 million per month, whichever is higher.

The *E-Sabong* Licensing Department (ESLD) of PAGCOR handles the development of the regulatory framework, processing of applications, issuance of licenses to conduct *e-sabong* operations, and other related tasks for off-site wagering/ betting on live cockfighting matches and online/ remote streaming activities

Schedule of Fees that Governs the Operations of *E-Sabong*:

Application Fee	P2,500,000 (non-refundable)
Printing of License	P10,000
Re-printing of License	P5,000
Certified True Copy of License **Request for CTCs should be for valid reasons only so as to prevent misuse of the PAGCOR License*	P1,000
Renewal Fee	P2,500,000
Performance Cash Bond	P75,000,000
Monthly Guaranteed Fee	P75,000,000
Fixed Regulatory Fee	P12,500 per fight
Additional *E-Sabong* Platform/System/Brand	P500,000

Source: PAGCOR data as shown in their website as of June 23, 2021.

At present, there are four (4) e-sabong operators that were licensed by PAGCOR, to wit:

Licensed *E-Sabong* Operators:

	COMPANY	BRAND	REGISTERED WEBSITES
1	Belvedere Vista Corporation	Sabong Express	http://sabongexpress.com
2	Lucky 8 Star Quest Inc.	Pitmasters Live	http://wpc15.com http://wpc16.com
3	E-Sports Encuentro Live Corporation	Encuentro Live!	http://encuentrolive.com
4	Visayas Cockers Club, Inc.	Sabong International Ph	http://sabonginternational.com

Source: www.pagcor.ph, Updated as of June 3, 2021.

HOW ELECTRONIC SABONG BETTING WORKS

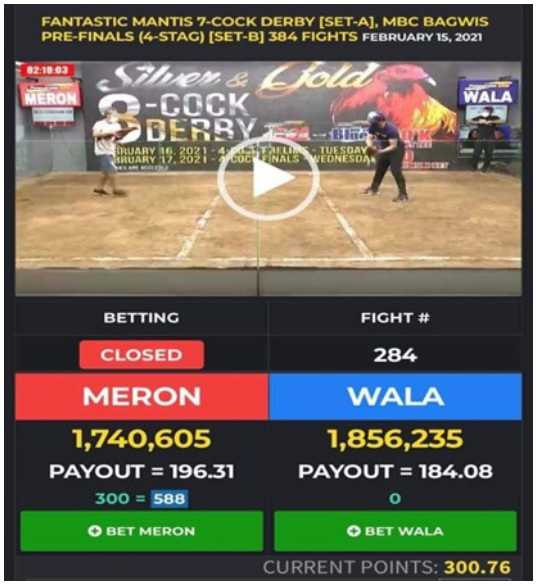
Inside the cockpit arenas, laptops and cameras are set up for the live streaming of the bloody fight between two gamecocks. The live streaming host earns by selling the streaming rights to various websites where people can place their bets.

In e-sabong, all cock entries are paired and matched, based on their physical attributes (weight and age, among others) or the so-called "ulutan", and cocks are made to wear blades. In "ruweda", the breeders of the cocks will stand inside the ring with their cocks just like in boxing. Before the match begins, the breeders will hold the cocks close to each other to instigate pecking. This is the time where online bets are to be placed as it is during this time viewers are able to gauge as to which between the two cocks is more aggressive.

The birds will peck with their beaks and slash at one another with the blade or blades attached to their legs. The "sentenciador" will call the fight when a winner emerges; appeals are not allowed.

With regard to gaining access in order to watch the e-sabong games online, there are "customer service representatives" (CSR) and master agents. They directly transact with sub-agents and possible bettors, giving instruction on how to create an account (username and password), approving and activating their accounts.

Once a bettor has gained access to the website, he can place a bet by "loading points" which are equivalent to cash. Financial transactions are coursed through banks and/or G-Cash. Cash-outs, in case of winnings, also happen through banking transactions, with hosting websites earning through commissions from bets and payments made through CSRs/agents.



A screenshot of an e-sabong match with online betting. Screenshot grabbed from the internet.

A Facebook screenshot of a cockfight event at Polomolok Sports Complex in Polomolok, South Cotabato.

GOVERNMENT ON THE LEGALIZATION OF E-SABONG

The government, through PAGCOR Chair Andrea Domingo, anticipates that the new online gaming initiatives in the country will boost the country's revenues. According to Chair Domingo, "PAGCOR's focus this year will be not only on regulation and enforcement within the gaming industry, but also facilitating "creativity and imagination" in order to bolster industry revenues and profits."

PAGCOR likewise clarified that online *sabong* is legal, as long as the companies have a license to operate. PAGCOR underscored the importance of legalized *e-sabong* operations, especially with the restrictions caused by the persisting COVID-19 pandemic. It must be noted that *e-sabong* is one of the major sources of funds following the closure of casinos due to COVID from which majority of the proceeds go to President Rodrigo Duterte's social funds. These provide funds for the hospitals and augment the budget for cash aid to Filipino citizens amid the pandemic.

At present, House Bill No. 8065 (HBN 8065), otherwise known as "An Act Imposing Taxes on Offsite Betting Activities on Locally Licensed Cockfights and Derbies, Amending Section 125 of the National Internal Revenue Code of 1997, As Amended" was filed under Committee Report No. 608, in substitution of House Bill No. 7919. It was approved on Third Reading by the House of Representatives on December 15, 2020 and was sent to the Senate for concurrence last December 16, 2020. On the part of the Senate, there are two pending bills on cockfighting, namely: Senate Bill Nos. (SBNs) 2045 and 2281.

HBN 8065 and SBN 2281 propose to tax traditional and non-traditional *sabong* with 18% in case of traditional cockpits, and 5% for non-traditional *sabong*, based on gross gaming receipts. Meanwhile, SBN 2045 proposes 18% amusement tax to both forms of *sabong* based on gross receipts.

Based on PAGCOR's Regulatory Framework for Electronic Sabong (*E-Sabong*), the *plasada*/ commission is subject to 5% franchise tax which shall be remitted by the operator to the Bureau of Internal Revenue.

It is very important to keep up with the fast-paced shift into the digital landscape and in response to changing consumer behavior. *E-sabong* is an example of breakthrough in the industry where government can still gain revenues since people/ players access online betting systems while staying at home.

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WEBINARS ATTENDED

Kristine May A. Moredo
LSA III, Office of the Director General

BOI-LOKAL

As one of the champions and forerunners of the CREATE Law, the STSRO Director General Rodelio T. Dascil, MNSA was once again invited as resource speaker by the Department of Trade and Industry (DTI) – Board of Investments (BOI) for the BOI-LOKAL (Linangin ang Obligasyon at Kakayahan tungo sa Aktibong Lokal na Pamumuhunan) for the Province of La Union, in coordination with DTI-Region 1, on May 17, 2021.

The aim of the online seminar was to promote awareness of different policies and initiatives of the government to the frontline officers of various Local Government Units (LGUs) of the Province of La Union in order support the ease of doing business at the local level.

Furthermore, the BOI-LOKAL online seminar was organized to serve as a platform to exhibit the active coordination and strengthened collaborative governance of the concerned government agencies in bolstering the efficient and progressive business regulations in the country.

PHILEXPORT GMM

On June 15, 2021, PHILEXPORT held their online Second Quarter General Membership Meeting (GMM) and the STSRO Director General Rodelio T. Dascil, MNSA was welcomed as one of the resource persons to discuss the CREATE Law: its impact and benefits to Micro, Small, and Medium Enterprises (MSMEs) and exporters.

The concerns addressed by DG Dascil during the seminar, among others, were: (i) the qualifications and registration requirements of firms with Investment Promotion Agencies (IPAs), (ii) the differences between Investment Priority Plan (IPP) and Strategic Investment Priority Plan (SIPP), (iii) assistance provided by the DTI to MSMEs and exporters in availing the incentives under the CREATE Law, and (iv) the contents of the draft CREATE Law Implementing Rules and Regulations (IRR).

The PHILEXPORT GMM was attended by more than 200 members, most of whom are owners, Presidents, and/ or General Managers of various businesses in the country.

WEBINARS ATTENDED

Robynne Ann A. Albaniel
LSO IV, Legal and Tariff Branch

STSRO OFFICERS AND STAFF ATTEND TECHNICAL WRITING WEBINAR

On May 10 and 12, 2021, eight officers and staff of the Senate Tax Study and Research Office (STSRO) participated in the webinar organized by the Senate Human Resources Management Service (HRMS) entitled "Webinar on Grammar, Proofreading, and Technical Writing" via the teleconferencing app Zoom. The webinar started on a good note as Atty. Rodelio T. Dascil, Director General (DG) of STSRO, provided the welcoming remarks during the first day of the training.

During the two-day webinar, officers and staff from the Secretariat participated in technical drills and icebreakers that refreshed and further honed their skills in grammar, proofreading and technical writing. Moreover, the participants joined breakout rooms to accomplish group activities. Led by DG Dascil, the STSRO group members are Atty. Sherry Anne C. Salazar, Dir. Marvee Anne C. Felipe, Elsie T. Jesalva, Angelique M. Patag, Robynne Ann A. Albaniel, Johann Francis A. Guevarra, and Romeo E. Regacho.

Professor Francezca C. Kwe from the Department of English and Comparative Literature of the University of the Philippines served as the resource speaker throughout the training.

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hybrid staff meeting | STSRO Anniversary gift-giving | Appointment of new STSRO personnel | STSRO activities in the new normal

hybrid public hearing of the Committee on Ways and Means | Plenary session backstop | online Bicameral meeting |Skeleton Workforce