

SENATE

9 MAY -5 P1:12

S. No. 3206

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Introduced by Senator Panfilo M. Lacson

EXPLANATORY NOTE

It is the policy of the State to develop and enhance our human resources. In particular, in this era of globalization, it is of utmost importance for the country to educate, train, mold, and develop our tax collectors and administrators to become effective and efficient public servants and bread winners of the country.

Taxes are the lifeblood of the government. The increasing needs of a growing population for basic services and the pursuit of socio-economic development necessitate a substantial rise in tax collection. Unfortunately, our tax effort in relation to Gross Domestic Product (GDP) has been declining, i.e., from 16.3% in 1995, 16.9% in 1996, down to only 12.4% in 2004, 13% in 2005, 14.3% in 2006, 14.0% in 2007, and 15.1% in 2008 .

It has also been noted that our tax collectors, being bread winners for the country, should be given due importance, particularly in this era of rapid transformation and technological change. They should be equipped with the requisite knowledge, training, skills, and expertise in tax collection, including moral fitness and work ethics.

It is ironic that we have many institutes or academies that provide specialized training in the various aspects of public service, such as: Local Executive Academy, Judicial Academy, Tourism Academy, Philippine Military Academy, Philippine National Police Academy, etc., but we do not have a Tax Institute or Tax Academy to train and develop our tax collectors and administrators.

It is therefore urgent that we create a Philippine Tax Academy that will be staffed by a corps of professional lecturers in the fields of taxation, finance, and revenue administration, among others, to provide the basic theoretical construct and experiential knowledge to prospective and incumbent revenue collectors and administrators.

It is envisioned that in the long run, this will contribute to enhance tax collection efficiency and tax administration in general, thus, raise our tax effort and help arrest our budget deficit. Thus, this bill seeks to create a Philippine Tax Academy, install its structures and functions.

In view of the foregoing, passage of this bill which is a counterpart measure of House No. 6240 is therefore earnestly requested.


PANFILO M. LACSON

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AN ACT
CREATING THE PHILIPPINE TAX ACADEMY, DEFINING ITS
POWERS AND FUNCTIONS, APPROPRIATING FUNDS THEREFOR
AND FOR OTHER PURPOSES

*Be it enacted by the Senate and House of Representatives of the
Philippines in Congress assembled:*

ARTICLE I

TITLE, DECLARATION OF POLICY AND OBJECTIVES

Section 1. *Short Title.* – This Act shall be known as the “Philippine Tax Academy”.

Section 2. *Declaration of Policy.* - The State recognizes the vital and critical role of tax collectors and administrators in generating the needed government revenues for the country’s total development and progress. It is hereby declared to be the policy of the State to enhance and develop our human resources, particularly in the field of tax collection administration. Hence, creation of a specialized institution that will provide the appropriate education, training skills, and values to tax collectors and administrators.

It is likewise the policy of the State to encourage, train, mold, develop, and professionalize our tax collectors and administrators to become competent, effective, efficient public servants for national interest.

ARTICLE II

ESTABLISHING A PHILIPPINE TAX ACADEMY

Section 3. *The Philippine Tax Academy.* –To achieve the policy and objectives declared in this Act, there shall be established a Philippine Tax Academy, hereinafter referred to as the Academy, which shall be a separate component unit of the Department of Finance (DOF) and shall operate under its administration, supervision and control.

Section 4. *Purpose.* – The Philippine Tax Academy shall serve as the primary training school for selected applicants and continuing good education and training for tax collectors and administrators. For this purpose, it shall provide and

implement a curriculum for tax collectors and administrators, and shall conduct seminars, workshops and other training programs designed to mold, develop, and enhance their skills and knowledge, moral fitness, efficiency and capability. It shall perform such other functions and duties as may be necessary in carrying out its mandate.

Section 5. **Location.** – The Philippine Tax Academy shall be located in Tagaytay City, or in such other place or places as the Department of Finance may determine.

Section 6. **Governing Board.** – (a) The Philippine Tax Academy shall have a Governing Board to be known as the Board of Trustees, composed of the following:

1. Department of Finance
2. Bureau of Internal Revenue
3. Bureau of Customs
4. Bureau of Local Government Finance
5. Three representatives from the Academe

(b) The Board of Trustees shall be appointed by the President of the Philippines from nominees of the Department of Finance. The representatives coming from the academe shall be appointed from nominees of State Universities or accredited private institutions, chosen based on his/her integrity, probity and proven expertise in the field of taxation and public administration.

(c) The Board Member representing the DOF shall serve as the ex-officio Chairperson of the Board.

(d) The Board Member representing the BIR and BOC shall serve as the ex-office vice-chairpersons.

(e) The members of the Board shall serve for a minimum of three (3) years. In case of vacancy in the Board, the person so appointed or designated shall serve only for the unexpired term. They shall serve without compensation for the performance of their functions but they shall be entitled to reasonable honoraria/allowance pursuant to existing laws and regulations.

The representatives from the Academe must have at least five (5) years teaching experience in taxation, public finance, public administration and have taught in a reputable school for the same number of years.

Section 7. **The Executive Officers** – The Executive Officials of the Academy shall be composed of a Chancellor, a Vice-Chancellor, and an Executive Director, to be appointed by the Department of Finance Secretary for a term of three (3) years without prejudice to subsequent reappointment.

Section 8. **The Corps of Professional Lecturers** – The Philippine Tax Academy shall be staffed by a Corps of Professional Lecturers with sufficient knowledge, education, training, and actual experience in taxation, public finance, and revenue administration, among others. A Lecturer shall be nominated by any of the Board of Trustees.

Section 9. **Authority to Enter into a Consortium** – The Philippine Tax Academy may enter into a consortium agreements with the University of the Philippines and other training institutions for the development and implementation of the curriculum, programs for orientation, career development and continuing educations in tax collection, auditing, and administration.

Section 10. – **Income, legacies, gifts, donations.** – All incomes, legacies, gifts, and donations for the benefit of the Philippine Tax Academy or for its support or maintenance shall be exempt from the payment of all forms of taxes, donors and donees' taxes, fees, income tax, real estate, assessments, and other charges of the government, its branches and subdivisions.

All legacies, gifts, donations to the Philippine Tax Academy established under this act shall constitute a special fund to be known as the Tax Academy Fund. This Fund shall be administered and disbursed by the Board of Trustees of the Philippine Tax Academy exclusively for the purposes of this Act.

Section 11. **Funding.** – The amount necessary to carry out the purposes of this Act, including the operation, maintenance and improvement of the Philippine Tax Academy shall be included in the General Appropriations Act and every year thereafter under the program of the Department of Finance.

Section 12. **Auditing.** – The book of accounts of the Philippine Tax Academy shall be subject to periodic audit by the Commission on Audit.

Section 13. **Annual Report.** – The Philippine Tax Academy shall render to the President, the Secretary of Finance and the Committee on Ways and Means of both houses of Congress an annual report of its activities, accomplishments, and recommendations.

ARTICLE III

MISCELLANEOUS PROVISIONS

Section 14. **Implementing Rules and Regulations.** – The Secretary of Finance shall issue within ninety (90) days the rules and regulations for the effective implementation of this Act.

Section 15. **Repealing Clause.** – All laws, decrees, orders, rules and regulations, policies, programs or parts thereof, that are inconsistent with any of the provisions of this Act, are hereby repealed, amended or modified accordingly.

Section 16. **Separability Clause.**- If for any reason, any section or provision of this Act is declared to be unconstitutional or invalid, the other sections or provisions hereof which are not affected hereby, shall continue in full force and effect.

Section 17. **Effectivity.** – This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation, whichever comes earlier.

Approved,