

13<sup>th</sup> CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
*First Regular Session* )

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SENATE

P.S. RES. NO. 33

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Introduced by Senator Ralph G. Recto

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**A RESOLUTION**

**DIRECTING THE COMMITTEE ON WAYS AND MEANS TO EXAMINE, IN AID OF LEGISLATION, AMBIGUOUS OR OUTMODED PROVISIONS OF THE NATIONAL INTERNAL REVENUE CODE AND OTHER TAX LAWS, AND RECOMMEND THE APPROPRIATE AMENDMENTS THERETO TO ENHANCE REVENUE COLLECTION WITHOUT IMPOSING NEW OR ADDITIONAL TAXES**

**WHEREAS**, the tax effort of the Philippines has not only failed to keep pace with the needs of a rapidly growing population and respond to the demands of globalization and socio-economic growth, but has in fact dropped from 17% in 1996 to a dismal 12% over the last eight-year period;

**WHEREAS**, her Asian neighbors have much higher tax effort ratios ranging from 14% to 20%;

**WHEREAS**, our low tax effort accounts in no small measure for the burgeoning budget deficit and consequently for the oppressive public sector debt;

**WHEREAS**, there is a need to raise the level of efficiency in the collection of existing taxes rather than impose new or additional taxes;

**WHEREAS**, tax leakages that constitute a failure of the tax system to maximize collection of existing taxes impose a deadweight burden on the economy;

**WHEREAS**, the Bureau of Internal Revenue (BIR) attributes part of the revenue leakage or low collection efficiency to ambiguous or outmoded provisions in the National Internal Revenue Code and other tax laws, all of which require legislative amendments.

**NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the Senate direct the Committee on Ways and Means to examine, in aid of legislation, ambiguous or outmoded provisions of the National Internal Revenue Code and other tax laws, and recommend the appropriate amendments thereto to enhance revenue collection without imposing new or additional taxes.

*Adopted,*

  
RALPH G. RECTO