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SENATE  
P.S. Res. 671

RECEIVED BY: ji

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Introduced by Senator Poe

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**RESOLUTION**

**DIRECTING THE SENATE COMMITTEES ON WAYS AND MEANS, HEALTH AND DEMOGRAPHY AND FINANCE TO ASSESS AND REVIEW, IN AID OF LEGISLATION, THE IMPLEMENTATION OF THE SIN TAX LAW (REPUBLIC ACT 10351) IN PARTICULAR ITS INTENDED OBJECTIVES OF FUNDING THE UNIVERSAL HEALTH CARE PROGRAM AND PROVIDING EFFICIENT MEDICAL ASSISTANCE TO ORDINARY CITIZENS**

Whereas, the 1987 Philippine Constitution has the following remarkable guarantees:

- The State shall protect and promote the right to health of the people and instill health consciousness among them (Article II, Section 15);
- The State recognizes the vital role of the youth in nation-building and shall promote and protect their physical, moral, spiritual, intellectual, and social well-being. It shall indicate in the youth patriotism and nationalism, and encourage their involvement in public and civic affairs (Article II, Section 13);

Whereas, on December 20, 2012, Republic Act 10351 (An Act Restructuring the Excise Tax on Alcohol and Tobacco Products) or known simply as the Sin Tax Law, was signed as a law and more than being a tax policy, it is hailed as a meaningful measure because it is geared towards addressing the establishment of a universal health care accessible by all citizens;

Whereas, Section 8 of the above-mentioned law provides a distinct concern for the health and welfare of Filipinos by mandating that a substantial collection is earmarked for the purpose:

*"Section 8. Section 288, subsections (B) and (C) of the National Internal Revenue Code of 1997, as amended by Republic Act No. 9334, is hereby further amended to read as follows:*

*"(B) Incremental Revenues from Republic Act No. 8240. – x x x*

*"(1) x x x*

*"(2) x x x*

*"(3) x x x*

*"(4) x x x*

*"(5) x x x*

(6)

*"The Department of Budget and Management, in consultation with the Department of Agriculture, shall issue rules and regulations governing the allocation and disbursement of this fund, not later than one hundred eighty (180) days from the effectivity of this Act.*

*"(C) Incremental Revenues from the Excise Tax on Alcohol and Tobacco Products. --*

*"After deducting the allocations under Republic Act Nos. 7171 and 8240, eighty percent (80%) of the remaining balance of the incremental revenue derived from this Act shall be allocated for the universal health care under the National Health Insurance Program, the attainment of the millennium development goals and health awareness programs; and twenty percent (20%) shall be allocated nationwide, based on political and district subdivisions, for medical assistance and health enhancement facilities program, the annual requirements of which shall be determined by the Department of Health (DOH)."*

Whereas, for emphasis, the law (RA 10351) provides that that eighty percent (80%) of the remaining incremental revenues will be allocated for the universal health care and twenty percent (20%) will be allocated nationwide for medical assistance and health enhancement facilities program;

Whereas, the reduction of tobacco and alcohol consumption leads to better health outcome and the reform in the sin tax law system envisions a healthy Filipino society and the youth and the poor will be protected<sup>1</sup>;

Whereas, the Bureau of Internal Revenue reported that from January to November 2013, a total of P91.6 billion was generated from sin taxes, exceeding the full year collection target of P85.86 billion;

Whereas, the implementation of the Sin Tax Law must be assessed and revisited taking into consideration the following concerns<sup>2</sup>:

- a) The expansion of the Philhealth enrollment and benefit delivery. This provides the poor some protection from the financial impact of health care;
- b) Much-needed upgrade of our health care facilities;
- c) Public health programs, including addressing non-communicable diseases or lifestyle diseases; and
- d) Health promotions and health insurance programs.

Now therefore be it

Resolved by the Senate of the Philippines to Direct the Senate Committees on Ways and Means, Health, and Finance to assess and review, in aid of legislation, on the implementation of the Sin Tax Law (RA 10351) in particular its intended objective of funding the universal health care program and providing efficient medical assistance to ordinary citizens.

Adopted,

  
GRACE POE

<sup>1</sup> Briefer of the DOF on the Sin Tax Law, [www.dof.gov.ph](http://www.dof.gov.ph)

<sup>2</sup> From the Paper of Dr. Anthony Leachon on the Sin Tax Law, Philippine College of Physicians