

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



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SENATE

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Committee Report No. 80

Submitted by the Committees on Finance on SEP 24 2014, 2014

RE : **S.B. 844 and S.B. 1070**

Recommending that it be archived

MR. PRESIDENT,

The Committee on Finance, to which was referred **Senate Bill Nos 844 and 1070**, introduced by Senators Joseph Victor G. Ejercito and Jinggoy P. Ejercito-Estrada, respectively entitled:

"AN ACT CREATING A 'PEOPLE'S FUND', EARMARKING ALL PROCEEDS FROM THE VALUE-ADDED TAX TO THE SAID FUND, FOR THE EXCLUSIVE ALLOCATION TO THE EDUCATION AND HEALTH NEEDS OF OUR PEOPLE, AMENDING FOR THIS PURPOSE THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED"

has considered the same and has the honor to submit its report on its inquiry back to the Senate recommending that S.B. Nos. 844 and 1070 be archived considering that earmarking will lead to budget inflexibility. It is preferable that the budget for a program/project or a department be evaluated during the regular annual budget process where Congress exercises its power of the purse in determining the needs and priorities of the government. In addition, the proposal to augment the regular budget of the education and health sectors by earmarking existing VAT collections, that form part of the regular revenue that support the annual budget of the government, will effectively increase the fiscal deficit if appropriations for all the other sectors will not be reduced, or if no new revenue measure is introduced. The absorptive capacity of the Department of Health and Department of Education should also be considered.

Respectfully submitted:

FRANCIS "CHIZ" G. ESCUDERO
Chairman, Committee on Finance

with reservations

RALPH G. RECTO
Senate President Pro-Tempore
Chair, Finance Sub-Com D

A. Recto
SERGIO R. OSMEÑA III
Chair Finance Sub-Com B

LOREN B. LEGARDA
Chair, Finance Sub-Com C

with reservations

TEOFISTO L. GUINGONA III
Chair, Finance Sub-Com D

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PIA S. CAYETANO

FERDINAND R. MARCOS JR.

A. Pimentel
AQUILINO "KOKO" PIMENTEL III
*to provide to create the
Areal situation requires*

Grace Poe
GRACE POE

JUAN EDGARDO ANGARA

CYNTHIA A. VILLAR

MIRIAM DEFENSOR-SANTIAGO

with name change
MANUEL M. LAPID

JINGGOY EJERCITO ESTRADA

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MARIA LOURDES "NANCY" S. BINAY

Joseph Victor G. Ejercito
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