


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

01 JUL -8 AM 12

SENATE

RECEIVED BY: 

S. Bill No. 1341

*Introduced by Senator Ralph G. Recto*

EXPLANATORY NOTE

The generation and collection of revenues to be utilized by the government is purely an executive function. On the other hand, the Constitution mandates Congress to evolve a progressive system of taxation under a uniform and equitable rule of taxation.

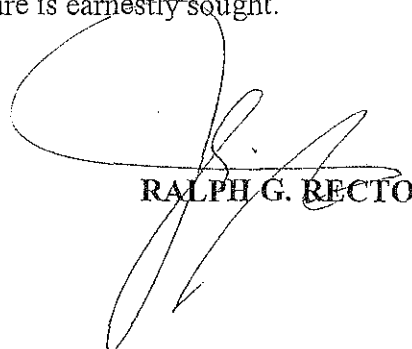
For the year 2003, the revenues collected by the national government amount to Php537,361 million in tax revenues, Php88,071 million in non-tax revenues and Php1,198 million in grants for a total of Php626,630 million. Compared to the total expenditures of Php826,498 million, the resulting deficit amounted to Php199,868 million.

Given the dismal revenue generation and collection of the government for the past years, it is apparent that there is a need for a coordinated and intensified effort from both the executive and legislative departments with the objective of improving the revenue generation and collection program of the government in order to eventually plug the budget deficit.

In this regard, this proposal seeks to institutionalize a *Legislative-Executive Revenue Oversight Council* which will perform an advisory, consultative and oversight function in so far as the revenue generation and collection programs and targets of the government are concerned. This will serve to strengthen and intensify the tax collection efforts of the government to address the economic problems facing the country.

Members of the Executive and Legislative departments will comprise the council in order not only to ensure a coordinated effort in achieving collection targets, but also to provide them a venue where loopholes and problems in revenue generation and collection programs of the government will be discussed.

The urgency and importance of this proposal cannot be over-emphasized, such that the immediate approval of this measure is earnestly sought.

  
RALPH G. RECTO

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

01 JUL -8 01:04

SENATE

S. BILL No. 1341

RECEIVED BY: [Signature]

*Introduced by Senator Ralph G. Recto*

AN ACT  
CONSTITUTING THE LEGISLATIVE-EXECUTIVE  
REVENUE OVERSIGHT COUNCIL AND FOR  
OTHER PURPOSES

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

1           SECTION 1. *Declaration of Policy.* – It is the policy of the State to maximize  
2 national government tax and non-tax revenues and optimize resource utilization within a  
3 framework of a fair, uniform, equitable and simple tax system in accordance with its  
4 constitutional mandate to evolve a progressive system of taxation and promote a more  
5 equitable distribution of opportunities, income, and wealth; a sustained increase in the  
6 amount of goods and services produced by the nation for the benefit of the people; and  
7 expanding productivity as the key to raising the quality of life for all, especially the  
8 underprivileged.

9           The Legislative-Executive Revenue Oversight Council shall constitute an  
10 effective advisory, consultative and oversight mechanism to ensure that government  
11 revenue collection targets are achieved, if not surpassed, and for a simplified and  
12 consistent revenue generation, collection and utilization.

13           SEC. 2. *Legislative-Executive Revenue Oversight Council* – Pursuant to the  
14 foregoing policy, there is hereby constituted a consultative, advisory and oversight body  
15 to be known as the Legislative-Executive Revenue Oversight Council, hereinafter  
16 referred to as the Council. It shall be composed of fifteen (15) members, with the  
17 President as Chairman and the following as members: the Vice President, the President of  
18 the Senate, the Speaker of the House of Representatives, the Chairman of the Ways and  
19 Means Committee of the Senate, the Chairman of the Ways and Means Committee of the

1 House of Representatives, five (5) members of the Cabinet to be designated by the  
2 President, two (2) members of the Senate to be designated by the President of the Senate,  
3 two (2) members of the House of Representatives to be designated by the Speaker of the  
4 House of Representatives at least one (1) of whom shall come from the dominant  
5 minority party.

6 Membership in the Council of the members of the legislature shall be an  
7 extension of their legislative functions. Membership in the Council of the members of  
8 the Cabinet shall be in an *ex officio* capacity.

9 The Chairman and members of the Council who are government officials shall  
10 serve in the Council without any additional emoluments, allowances, or pay, by virtue of  
11 and in connection with the positions they have been elected to or appointed to, as the case  
12 may be.

13 The Council may form its own subcommittees as may be needed and may call on  
14 any government agency or resource persons for assistance.

15 **SEC. 3. *Functions of the Council*** – The Council shall serve as a consultative,  
16 advisory and oversight body to the President as the head of the national economic and  
17 planning agency for further consultations and advice on programs and policies essential  
18 to the realization of the revenue generation and collection targets set by the national  
19 government with the following functions:

- 20 a) Determine and recommend revenue generation and collection goals in pursuance  
21 of established policies which shall guide the formulation and implementation of  
22 the national development plan;
- 23 b) Provide policy advice to the President on vital issues affecting the revenue  
24 program of the country;
- 25 c) Direct the study of measures to ensure that regional development plans and  
26 programs are integrated into the national revenue collection plan;
- 27 d) Monitor and ensure the proper implementation of the revenue laws and programs  
28 of the country;

- 1 e) To the extent necessary, to require of the revenue generating and collecting  
2 agencies of the government submission of all pertinent information including, but  
3 not limited to, industry audits, collection performance data and taxpayer returns  
4 and data; *Provided*, that any return or return information which can be associated  
5 with, or otherwise identify, directly or indirectly, a particular taxpayer shall be  
6 furnished the Council only when sitting in an Executive Session unless such  
7 taxpayer otherwise consents in writing to such disclosure;
- 8 f) Review the collection performance of the revenue-generating and collecting  
9 agencies of the government;
- 10 g) Review the relationship of the revenue generation and collection agenda or  
11 program to the national development plan to ensure the integration of both;
- 12 h) Study and recommend to the President and to Congress additional sources of  
13 revenue as well as measures to reduce unnecessary expenditures to the end that  
14 the resources of the Government will be used to the optimum

15 **SEC. 4. *Secretariat*** – The Council shall have the National Economic and  
16 Development Authority secretariat as the principal secretariat in providing staff support  
17 to the Council, assisted by personnel from the Presidential Management Staff and the  
18 economic planning staff of both the Senate and the House of Representatives.

19 **SEC. 5. *Meetings of the Council*** – The Council shall meet at least once every quarter,  
20 but may be convened by its Chairman to such special meetings as may be necessary. The  
21 members of the Council shall be duly notified of any meeting in advance. The first  
22 meeting of the Council shall take place within one (1) month from the effectivity of this  
23 Act at a time and place to be designated by the Chairman.

24 **SEC. 6. *Implementing Rules and Regulations*** – Within sixty (60) days from the  
25 approval of this Act, the Council shall promulgate all the necessary rules and regulations  
26 to carry out the provisions of this Act.

27 **SEC. 7. *Separability Clause*** – In case any provision hereof is declared  
28 unconstitutional, the other provisions not so declared and affected shall remain in force  
29 and effect.

1        **SEC. 8. *Repealing Clause*** – All laws and executive orders which are inconsistent  
2 with the provisions of this Act are hereby repealed or amended accordingly.

3        **SEC. 9. *Effectivity*** – This Act shall take effect fifteen (15) days after its publication in  
4 the *Official Gazette*.

5        Approved,