



Senate
Office of the Secretary

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

'17 JUN 27 A11 :55

SENATE
S.B. No. 1493

RECEIVED BY: _____

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

**AN ACT EXEMPTING THE BUREAU OF INTERNAL REVENUE FROM THE COVERAGE OF
REPUBLIC ACT NO. 6758, OTHERWISE KNOWN AS THE SALARY STANDARDIZATION
LAW, AS AMENDED, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Tasked with collecting over three quarters of our country's national budget, the Bureau of Internal Revenue has a heavy weight on its shoulders.

But even with the importance and the technical complexity of this function, the Bureau of Internal Revenue's present salary structure does not adequately compensate Bureau professionals. What's more, comparable positions earn up to twice as much in other agencies like the Securities and Exchange Commission and the Insurance Commission.

In order to attract and retain our nation's proficient accountants and tax practitioners, we must ensure that the compensation packages of the Bureau of Internal Revenue are competitive and commensurate to the task at the revenueurs' hands.

This bill seeks to remove the Bureau of Internal Revenue from the Salary Standardization Law, or RA 6768, and allow the BIR to craft its own salary structure that will allow them to compensate revenueurs appropriately.

Doing so will not only attract and help retain top talent within the BIR, but can hopefully serve as a preventative measure against corrupt practices and better services for the Filipino taxpayer.

Compensating our nation's tax collectors appropriately does not only uplift their profession and uphold the importance of their field, but it also allows us to demand nothing but the most honest, efficient, and effective public service from those that diligently handle our hard-earned taxes.

In view of the foregoing, the passing of this bill is urgently sought.


PAOLO BENIGNO "BAM" AQUINO IV



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

1 **SECTION 1. Declaration of Policy.** – It is the policy of the State to reform tax
2 administration and ensure efficient and effective collection of taxes by employing
3 and maintaining competent and professional revenue officials and personnel to
4 collect taxes and enforce internal revenue tax laws. Towards this end, the State shall
5 exempt the Bureau of Internal Revenue (BIR) and its employees from the coverage of
6 Republic Act No. 6758, otherwise known as the Salary Standardization Law, as
7 amended.

8 **SEC. 2. Exemption from Salary Standardization.** – The BIR and its employees
9 shall be exempt from the coverage of the Salary Standardization Law.

10 The BIR is hereby authorized to formulate its own Compensation and Position
11 Classification System based on the following principles:

- 12 a) BIR personnel shall be paid just and equitable wages in accordance with
13 the principle of equal pay for work of equal value;
- 14 b) Basic compensation for BIR personnel shall generally be comparable with
15 those in the private sector doing comparable work and must be in
16 accordance with prevailing laws on minimum wages;
- 17 c) The BIR Compensation and Position Classification System shall be
18 determined through a comprehensive analysis and audit of actual duties
19 and responsibilities of the Bureau's officials and employees;
- 20 d) The total compensation provided for government personnel must be
21 maintained at a reasonable level in proportion to the national budget;
22 and
- 23 e) A review of government compensation rates, taking into account the
24 performance of the Bureau, its overall contribution to the national
25 economy, and the possible erosion in purchasing power due to inflation
26 and other factors, shall be conducted periodically.

1 **SEC. 3. Incentives to Bureau Officials and Personnel.** – The BIR, subject to the
2 approval of the President, may provide for other incentives not provided under
3 existing laws and Civil Service laws.

4 **SEC. 4. Approval of the President.** - The BIR Compensation and Position
5 Classification System implemented pursuant to this Act shall be approved by the
6 President, and shall be subject to periodic review by the BIR, in consultation with the
7 Department of Budget and Management (DBM), Department of Finance (DoF) and
8 the Civil Service Commission (CSC), not more than every three (3) years, without
9 prejudice to yearly merit reviews or increases based on performance.

10 **SEC. 5. Non-diminution of Salaries.** – The BIR Compensation and Position
11 Classification System to be developed and recommended by the BIR, as approved by
12 the President, shall apply to all positions, on full or part-time basis, now existing or
13 hereafter created: *Provided*, That in no case shall there be any diminution in the
14 authorized salaries of incumbent employees of the BIR as of December 31, 2016,
15 upon the implementation of the approved BIR Compensation and Position
16 Classification System.

17 **SEC. 6. Appropriations.** – The amount necessary to implement this Act shall
18 be included in the General Appropriations Act of the year following its enactment
19 into law.

20 **SEC. 7. Separability Clause.** – Should any provision herein be declared
21 unconstitutional, the same shall not affect the validity of other provisions of this Act.

22 **SEC. 8. Repealing Clause.** – All other laws, decrees, executive orders, rules
23 and regulations or parts thereof inconsistent with the provisions of this Act are
24 hereby amended or modified accordingly.

25 **SEC. 9. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its
26 publication in the Official Gazette or in at least two (2) newspapers of general
27 circulation.

28 *Approved,*