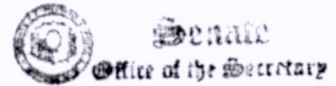


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



'18 FEB 21 P12 57

SENATE
S.B. No. 1701

RECEIVED BY: 

Introduced by Senator Aquilino "Koko" Pimentel III

AN ACT
AMENDING REPUBLIC ACT NO. 10708, OR THE
"TAX INCENTIVES MANAGEMENT AND TRANSPARENCY
ACT," TO EXPAND ITS COVERAGE, IN VIEW OF FURTHER
ENHANCING STATE FISCAL MANAGEMENT AND
ACCOUNTABILITY, AND FOR OTHER PURPOSES

Explanatory Note

Republic Act No. 10708, or the "Tax Incentives Management and Transparency Act" (TIMTA), established a strict reportorial system of the tax incentives granted to registered investments. It was enacted to help address a significant question: Do the current tax incentives cost the government more compared to the benefits that the investments bring?

At present, there are 123 laws that provide investment-related tax incentives, which are administered by Investment Promotion Agencies (IPAs). Also, there are 192 laws that provide non-investment related tax incentives, which are administered by other government agencies (OGAs), such as the Cooperative Development Authority (CDA), Department of Social Welfare and Development (DSWD), and the Bureau of Internal Revenue (BIR).

The rapid increase in the grant of these incentives, although with laudable aims, has resulted in considerable foregone revenue on the part of the government. This situation warrants a thorough evaluation of these incentives in terms of stimulating growth and other socio-economic development, both actual and projected, in the concerned sector and in the Philippine economy. Hence, it is necessary to likewise subject these entities to the strict reportorial system of TIMTA.