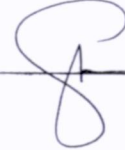


20 MAR -2 P5 :29

SENATE
P.S. Resolution No. **339**

RECEIVED



Introduced by **SENATOR IMEE R. MARCOS**

RESOLUTION
DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN
INQUIRY, IN AID OF LEGISLATION, INTO THE EFFECTIVITY OF THE
INVESTMENT PROMOTIONS AGENCIES AND ITS CORRESPONDING
INCENTIVE REGIMES IN GENERATING REVENUES, CREATING JOBS, AND
PROVIDING BUSINESS OPPORTUNITIES FOR THE PEOPLE

WHEREAS, Article XII, Section 1 of the 1987 Constitution states that, "*The goals of the national economy are a more equitable distribution of opportunities, income, and wealth,*" further, Article VI, Section 28, "*The rule of taxation shall be uniform and equitable. The Congress shall evolve a progressive system of taxation*";

WHEREAS, the Philippines has nineteen (19) Investment Promotions Agencies (IPAs) such as the: Board of Investments (BOI), Clark Development Corp. (CDC), Philippine Economic Zone Authority (PEZA), Subic Bay Metropolitan Authority (SBMA), Authority of the Freeport Area of Bataan (AFAB), BOI-Autonomous Region in Muslim Mindanao (BOI-ARMM), and the Cagayan Economic Zone Authority (CEZA), among others;

WHEREAS, the IPAs are tasked to formulate and develop strategies for the following clusters: Manufacturing and Logistics, IT-BPM, Tourism, and Agribusiness to position the country as among the prime destinations for investments, each having distinct functions and offering different incentive packages;


WHEREAS, to address and accelerate poverty reduction and to sustainably address inequality, the Department of Finance (DOF) devised the Comprehensive Tax Reform Program (CTRP) which aims to generate revenues and attain the President's promise of "*tunay na pagbabago*" under which the Corporate Income Tax and Incentives Reform Act (CITIRA) or "*Package 2*" is included which seeks to gradually reduce the corporate income tax rate from 30% to 20% and rationalize incentives, among others;

WHEREAS, despite the proposed corporate income tax cut, the Philippines will still be one of the heaviest taxed and least competitive jurisdictions in the region, and repealing tax incentives will presumably make it worse since other neighboring countries, such as Malaysia and Vietnam, are offering greater tax incentives to attract more foreign investments;

WHEREAS, considering the serious concerns of stakeholders, the Senate should consult the export sectors immediately in order to forestall the dire consequences they fear;

NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED, directing the appropriate Senate committee to conduct an inquiry, in aid of legislation, into the effectivity of the Investment Promotions Agencies and its corresponding incentive regimes in generating revenues, creating jobs, and providing business opportunities for the people.

Adopted


IMEE R. MARCOS