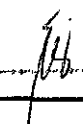


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SENATE

S. No. **3049**

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Introduced by Senator Lacson

EXPLANATORY NOTE

The Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC) are the two agencies of the government in the forefront of collecting revenue direly needed in its developmental endeavors. It is but imperative on the government's part to provide these two agencies the pertinent tools to fulfill their mandates.

Under Section 2 of the Tax Reform Act of 1997, as amended, it is provided:

“SEC. 2. Powers and Duties of the Bureau of Internal Revenue. - The Bureau of Internal Revenue shall be under the control and supervision of the Department of Finance and its powers and duties shall comprehend the assessment and collection of all national internal revenue taxes, fees, and charges, and the enforcement of all forfeitures, penalties, and fines connected therewith, including the execution of judgments in all cases decided in its favor by the Court of Tax Appeals and the ordinary courts. The Bureau shall give effect to and administer the supervisory and police powers conferred to it by this Code or other laws.”

The BOC on the other hand is given the following functions under Section 602 of the Tariff and Customs Code:

“SEC. 602. Functions of the Bureau. - The general duties, powers and jurisdiction of the bureau shall include:

- a. The assessment and collection of the lawful revenues from imported articles and all other articles and all other dues, fees, charges, fines and penalties accruing under the tariff and customs laws;
- b. The prevention and suppression of smuggling and other frauds upon the customs;
- c. The supervision and control over the entrance and clearance of vessels and aircraft engaged in foreign commerce;
- d. The enforcement of the tariff and customs laws and all other laws, rules and regulations relating to the tariff and customs administration;
- e. The supervision and control over the handling of foreign mails arriving in the Philippines, for the purpose of the collection of the lawful duty on the dutiable articles thus imported and the prevention of smuggling through the medium of such mails;
- f. Supervise and control all import and export cargoes, landed or stored in piers, airports, terminal facilities,

- including container yards and freight stations, for the protection of government revenue;
- g. Exercise exclusive original jurisdiction over seizure and forfeiture cases under the tariff and customs laws.”

It is the object of this bill to exempt from the coverage of the Compensation and Position Classification Act of 1989 (RA 6758), the officers and employees of the BOC and BIR. Under the Salary Standardization Law (SSL), salaries of most government employees are fixed or leveled.

In the past, Congress has exempted from the coverage of the SSL some government financial institutions such as Government Service Insurance System (GSIS), Social Security System (SSS), Bangko Sentral ng Pilipinas (BSP), Land Bank of the Philippines (LBP), Corporate BCDA, and Development Bank of the Philippines (DBP).

There have been clamors that the BIR and BOC be removed from its coverage since these two agencies perform vital functions relative to the revenue raising powers of the government. It is envisioned that with the enactment of this measure, graft and corruption would be minimized, if not totally eliminated. Moreover, said move would be an added impetus for them to perform their duties properly, and hopefully meet their respective target collections.

It is for these reasons that approval of this bill is earnestly requested.


PANFILO M. LACSON
Senator

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

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SENATE

RECEIVED BY: 

S. No. 3049

Introduced by Senator Lacson

AN ACT
TO FURTHER STRENGTHEN THE REVENUE RAISING POWERS OF THE BUREAU OF INTERNAL REVENUE (BIR) AND THE BUREAU OF CUSTOMS (BOC), BY EXEMPTING THEM FROM THE COVERAGE OF THE COMPENSATION AND POSITION CLASSIFICATION ACT OF 1989 (RA 6758), AND FOR OTHER PURPOSES.

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

SECTION 1. The Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC), are hereby exempted from the coverage of Republic Act No. 6758, otherwise known as An Act Prescribing A Revised Compensation And Position Classification System In The Government And For Other Purposes.

SEC. 2. The implementing rules and regulations to effectively implement the provision of this Act shall be issued and promulgated by the Secretary of Finance in consultation with the Commissioner of Internal Revenue and Commissioner of Customs, not later than ninety (90) days after the approval of this Act which shall be published in a national newspaper of general circulation.

SEC. 3. If for any reason, any provision of this Act or the rules and regulations issued to implement the same, is held invalid or unconstitutional, the remaining provisions not affected thereby shall continue to be in full force and effect.

SEC. 4. All laws, decrees, executive orders, or rules and regulations or parts thereof inconsistent with or contrary to the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 5. This Act shall take effect fifteen (15) days after the completion of its publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,