

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




Senate
Office of the Secretary

'16 JUL 25 P2:38

SENATE

P. S. Res. No. 30

REFERRED BY: 

Introduced by Senator Ralph G. Recto

RESOLUTION

URGING THE SECRETARY OF FINANCE AND COMMISSIONER OF INTERNAL REVENUE TO ADJUST ANEW THE THRESHOLD AMOUNTS PROVIDED UNDER SECTION 109 (1)(P), (Q) AND (W) OF THE NATIONAL INTERNAL REVENUE CODE (NIRC) OF 1997, AS AMENDED, AS MANDATORILY REQUIRED BY THE SAID LAW

WHEREAS, Section 109 (1)(P) of the NIRC provides that the sale of residential lot valued at One Million Five Hundred Thousand Pesos (P1,500,000.00) and below, house and lot, and other residential dwellings valued at Two Million Five Hundred Thousand Pesos (P2,500,000.00) and below shall be exempt from the value-added tax (VAT);

WHEREAS, Section 109 (1)(Q) of the NIRC provides that the lease of a residential unit with a monthly rental not exceeding Ten Thousand Pesos (P10,000.00) shall be exempt from the value-added tax (VAT);

WHEREAS, Section 109 (1)(W) of the NIRC provides that the sale or lease of goods or properties or the performance of services other than the transactions enumerated under Section 109 of the NIRC, the gross annual sales and/or receipts do not exceed the amount of One Million Five Hundred Thousand Pesos (P1,500,000.00) shall be exempt from the value-added tax (VAT);

WHEREAS, the foregoing provisions of the NIRC mandatorily require that the threshold amounts be adjusted to their present values not later than January 31, 2009 and every three (3) years thereafter using the Consumer Price Index (CPI) as published by the National Statistics Office (NSO);

WHEREAS, the Secretary of Finance upon the recommendation by the Commissioner of Internal Revenue, issued Revenue Regulations No. 16-2011 which took effect on January 1, 2012 increasing the threshold amounts on the sale of residential lot to One Million Nine Hundred Nineteen Thousand Five Hundred Pesos (P1,919,500.00); the sale of house and lot and other residential dwellings to Three Million One Hundred Ninety Nine Thousand Two Hundred Pesos (P3,199,200.00); lease of residential unit to Twelve Thousand Eight Hundred Pesos (P12,800.00); and the gross annual sales and/or receipts from the sale or lease of goods or properties or the performance of services other than the transactions enumerated under Section 109 of the NIRC to One Million Nine Hundred Nineteen Thousand Five Hundred Pesos (P1,919,500.00) based on the average CPI for the year 2010;

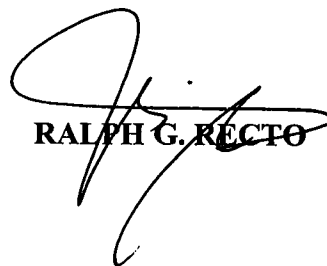
WHEREAS, more than four (4) years since the issuance of Revenue Regulations No. 16-2011, the Secretary of Finance has not yet issued any regulation which would adjust the aforementioned threshold amounts to their present values;

WHEREAS, the average Consumer Price Index (CPI) for the year 2015 is at 141.5 and for the base year 2010 is at 120.4, which resulted in the sustained increase in the general price level of goods and services and the corresponding diminution in the purchasing power of consumers;

WHEREAS, the value-added tax (VAT) is an indirect tax that is passed on to the consumers of goods and services and, thus, the regular adjustment of the threshold amounts on VAT exempt transactions covered by Sections 109 (1), (P), (Q), and (W) of the NIRC would help put more money back in the pockets of ordinary buyers or consumers;

NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved by the Philippine Senate to urge the Secretary of Finance and the Commissioner of Internal Revenue to issue the necessary revenue regulation adjusting the threshold amounts on VAT exempt transactions for sale of residential lot, sale of house and lot, lease of residential unit and sale or lease of goods or properties or performance of services covered by Sections 109 (1), (P), (Q), and (W) of the NIRC.

Adopted.



RALPH G. RECTO