

10 JUL -6 AM 10:01

SENATE

S. No. 212

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[Signature]

Introduced by Senator Antonio "Sonny" F. Trillanes IV

EXPLANATORY NOTE

This bill seeks to provide the Sugar Regulatory Administration (SRA) with adequate funding to enable it to pursue and carry out its mandates and objectives under its Charter, Executive Order No. 18, dated May 28, 1986. Since its creation and organization, the activities and programs of the SRA, especially on research and development, have suffered continuous setback due to lack of funds.

In the consideration of this bill, it is noteworthy to point out the historical fact that the predecessors of the SRA, namely, the Philippine Sugar Institute and the Sugar Quota Administration, were adequately funded from the following sources:

1. Commonwealth Act No. 567 (Sugar Adjustment and Stabilization Fund) which imposed a P0.02 basic tax on every picul of the total marketable sugar manufactured.
2. Republic Act No. 1328 (Philippine Sugar Institute Special Fund) which provided that the P0.02 basic tax per picul collected under C.A. No. 567 shall be availed for use of the Philippine Sugar Institute.
3. Republic Act No. 3051 providing that the 50% of the Proceeds of the percentage tax shall accrue to the Sugar Research and Stabilization Fund.

The revenue derived under the aforesaid laws accrued to the research and development programs of the agencies, which preceded the SRA. The said laws were repealed upon the adoption of the Value Added Tax (VAT) on January 1, 1988, pursuant to Executive Order No. 273, leaving no provision for the continuance of the source of funds for the SRA.

It is noted that the share of the component of the industry in the present tax burden is not efficiently channeled back to where it should – the sugar industry and the agency charged with the stabilization and promotion of its growth and development – the SRA.

This bill, therefore, seeks to correct an oversight, if not an injustice, and to provide a mechanism by which VAT collections on sugar and its by-products are channeled back to the sugar industry in the form of funding for the SRA.

In view of the foregoing, approval of this bill is earnestly recommended.


ANTONIO "SONNY" F. TRILLANES IV
 Senator

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

OFFICE OF THE CLERK

10 JUL -6 A9:02

SENATE

S. No. 212

RECEIVED BY

Introduced by Senator Antonio "Sonny" F. Trillanes IV

AN ACT
TO STABILIZE THE SUGAR INDUSTRY BY ESTABLISHING THE SUGAR
INDUSTRY RESEARCH AND STABILIZATION FUND AND FOR OTHER PURPOSES

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

1 **SECTION 1. *Short Title.*** – This Act shall be known as the “*Sugar Industry Stabilization*
2 *Act of 2010.*”

3 **SEC. 2. *Collection for the Sugar Industry.*** – Twenty percent (20%) of the total Value
4 Added Tax (VAT) proceeds collected on sugar and sugar by-products shall, accrue to and form
5 part of a special fund for the sugar industry which shall be made available solely to finance the
6 operation, programs and activities of the Sugar Regulatory Administration in pursuance of its
7 charter objectives

8 **SEC. 3. *Sugar Industry Research and Stabilization Fund.*** – For this purpose, the
9 proceeds as herein provided shall be set aside to constitute a fund known as the Sugar Industry
10 Research and Stabilization Fund which shall be paid out for the purpose herein stated.

11 **SEC. 4. *Separability Clause.*** - If any part or provision of the Act shall be held
12 unconstitutional or invalid, other provisions hereof which are not affected hereby shall continue
13 to be in full force and effect.

1 **SEC. 5. *Repealing Clause.*** – All laws, decrees, executive orders, rules and regulations,
2 administrative orders, and other issuance or parts thereof which are contrary to or inconsistent
3 herewith are hereby deemed repealed, amended or modified accordingly.

4 **SEC. 6. *Effectivity.*** – This shall take effect after fifteen (15) days from its publication in
5 the Official Gazette or in two (2) national newspapers of general circulation.

Approved,