



# Tax Reform for Acceleration and Inclusion Revised package 1

(Amended DOF bill)

As of October 5, 2017 6:33 PM

(Full presentation)

# Vision for the Philippines

**By 2022**  
(6 years from now)

**21.6%** → **13-15%**

**Poverty rate reduced**  
*(6 million Filipinos uplifted)*

**3,500** → **5,000**  
**USD**                      **USD**

**Increase in Gross National  
Income (GNI)**  
*(Achieve upper-middle income status  
where Thailand and China are today)*

**By 2040**  
(23 years or one  
generation from now)

**Extreme poverty  
eradicated**

**3,500** → **11,000**  
**USD**                      **USD**  
at least

**Increase in Gross National  
Income (GNI)**  
*(Achieve high income status where  
Malaysia and South Korea are today)*

# How to achieve the vision

- Investment-led growth of 7 to 10 percent
- Over the long-term, all these investments require additional funds of around 1 trillion pesos per year in 2016 prices on top of the current 1.7 trillion pesos.
- Over the medium term, the government will need to raise some 366 billion per year between 2016 and 2022 (or 2.2 trillion pesos in total).

## Current and additional investment needed per year

Investment Category	2016	2022 target	Additional over the next 6 years*
Infrastructure	P759 billion	P1.8 trillion	P1.1 trillion
Education and training	P551 billion	P1.3 trillion	P718 billion
Health	P133 billion	P272 billion	P139 billion
Social protection, welfare, and employment	P242 billion	P509 billion	P267 billion
<b>Total**</b>	<b>P1.7 trillion</b>	<b>P3.9 trillion</b>	<b>P2.2 trillion</b>

\*Indicative and subject to change

\*\*Total does not add up due to rounding off

Source: Department of Budget and Management

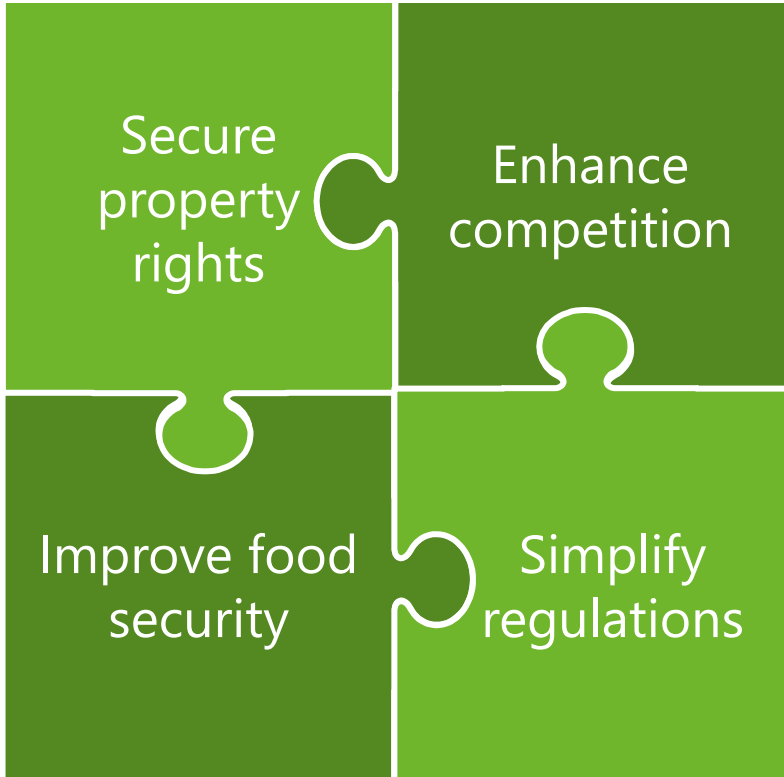
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# How to achieve the vision

## Ways to raise additional investments



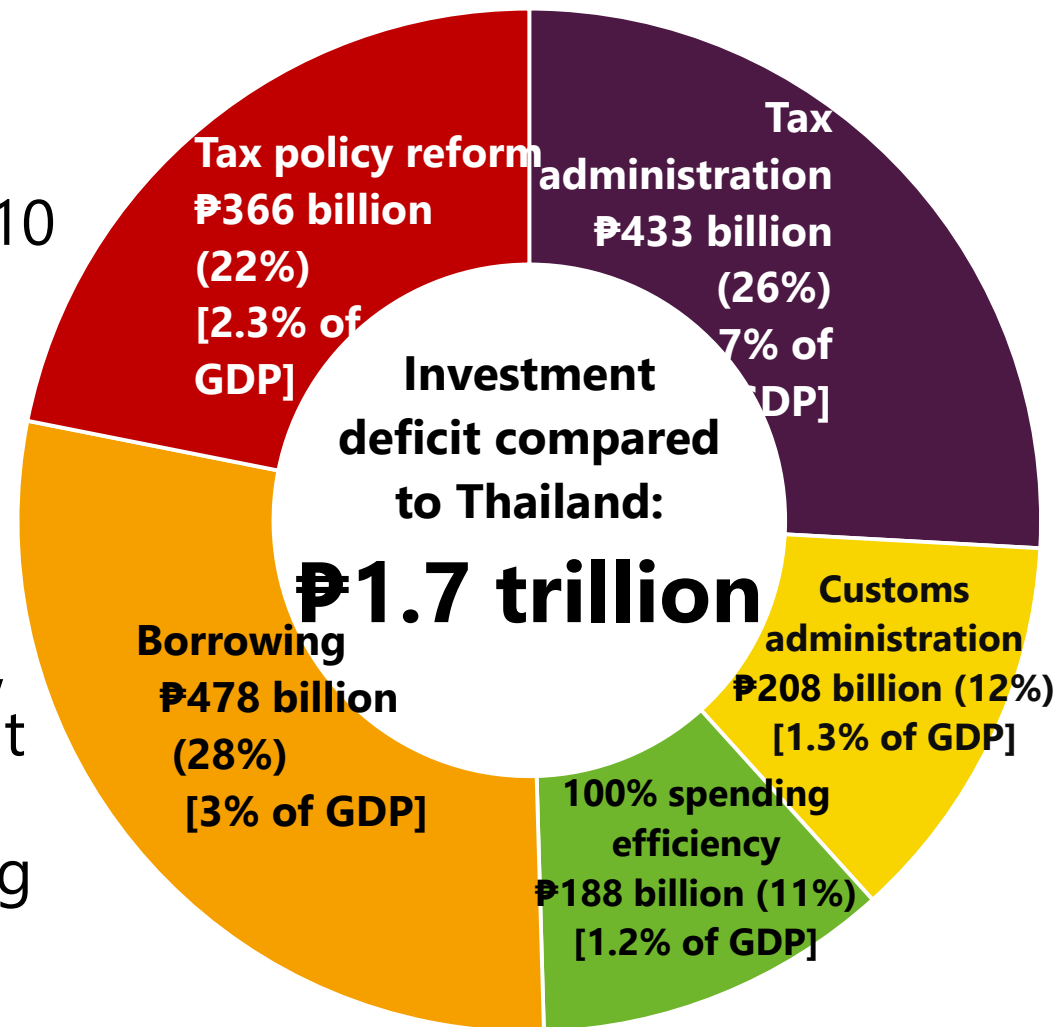
## Complementary economic reforms



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# How to fund the investment deficit

- Compared to Thailand or Vietnam, the Philippines is underinvesting by around 10 percent of GDP annually.
- Even with substantial improvements in tax and customs administration, underspending addressed, and sustainable borrowing, PHP 366 billion (2.3 percent of GDP) annually is still needed to catch-up starting 2017.










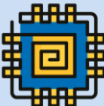


Sources: DBM, PSA, DOF staff estimates

Note: The investment deficit was estimated as the difference between the investment levels of the Philippines and a benchmark country (Thailand). The difference of around 10 percent of GDP, which is equivalent to 1.7 trillion in 2017, can be funded by improvements in tax and customs administration, spending efficiency, and borrowing. However, these are not enough. The country needs an additional PHP 366 billion or 2.3 percent of GDP from tax policy reform to fully fund the gap.

# This is what we stand to lose without tax reform...

- 108,000 public school classrooms, or
- 460,947 public school teachers, or
- 10,383 rural health units, or
- 83,143 barangay health stations, or
- 227 provincial hospitals, or
- 6,136 kms of paved roads, or
- 135,000 kms of temporary bridge upgrades, or
- 457,627 hectares of irrigated land

# In summary, tax reform is needed to fund the ten-point socioeconomic agenda

<b>The 10-point Socioeconomic Agenda</b>	<b>1</b>  <p>Continue and maintain current macroeconomic policies, including fiscal, monetary, and trade policies.</p>	<b>2</b>  <p>Institute progressive tax reform and more effective tax collection, indexing taxes to inflation.</p>	<i>Be our partner for change.</i>
	<b>★ Your taxes will fund better services. ★</b>		
<b>3</b>  <p>Increase competitiveness and the ease of doing business.</p>	<b>4</b>  <p>Accelerate annual infrastructure spending to account for 5% of GDP, with public-private partnerships playing a key role.</p>	<b>5</b>  <p>Promote rural and value chain development toward increasing agricultural and rural enterprise productivity and rural tourism.</p>	<b>6</b>  <p>Ensure security of land tenure to encourage investments, and address bottlenecks in land management and titling agencies.</p>
<b>7</b>  <p>Invest in human capital development, including health and education systems, and match skills and training.</p>	<b>8</b>  <p>Promote science, technology, and the creative arts to enhance innovation and creative capacity.</p>	<b>9</b>  <p>Improve social protection programs, including the government's Conditional Cash Transfer program.</p>	<b>10</b>  <p>Strengthen implementation of the Responsible Parenthood and Reproductive Health Law.</p>

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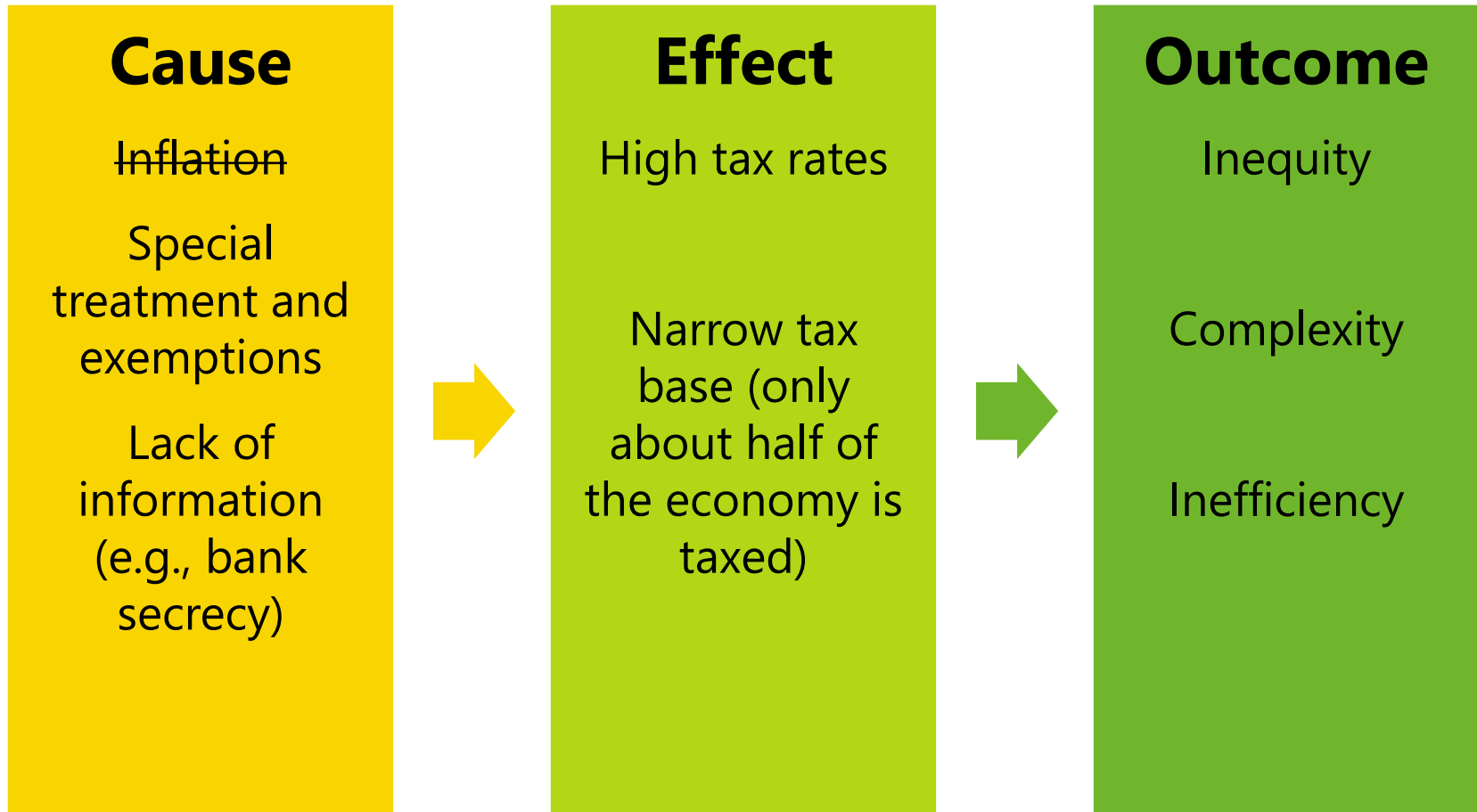


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Source: <https://scottdeutschtalks.files.wordpress.com/2016/05/who-wants-change.jpg>



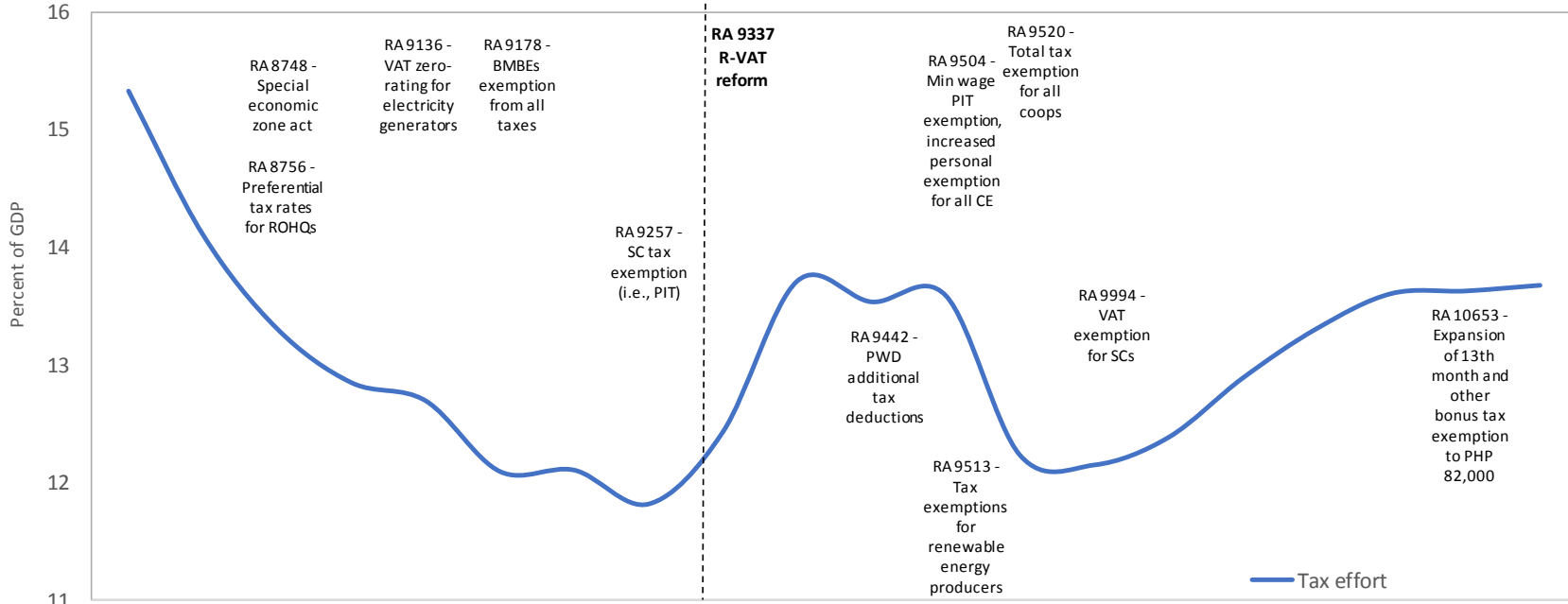
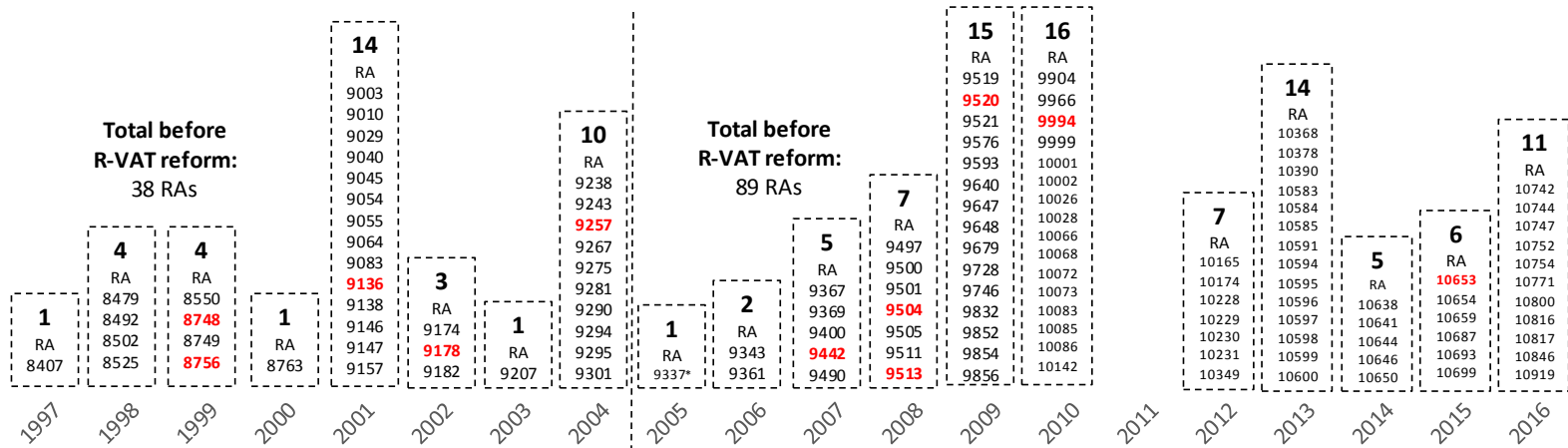
# Why tax policy reform is needed: A deficient tax system



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# Revenue eroding measures

Revenue eroding measures (Republic acts [RAs]) enacted annually



Sources: DOF, BTr, and PSA

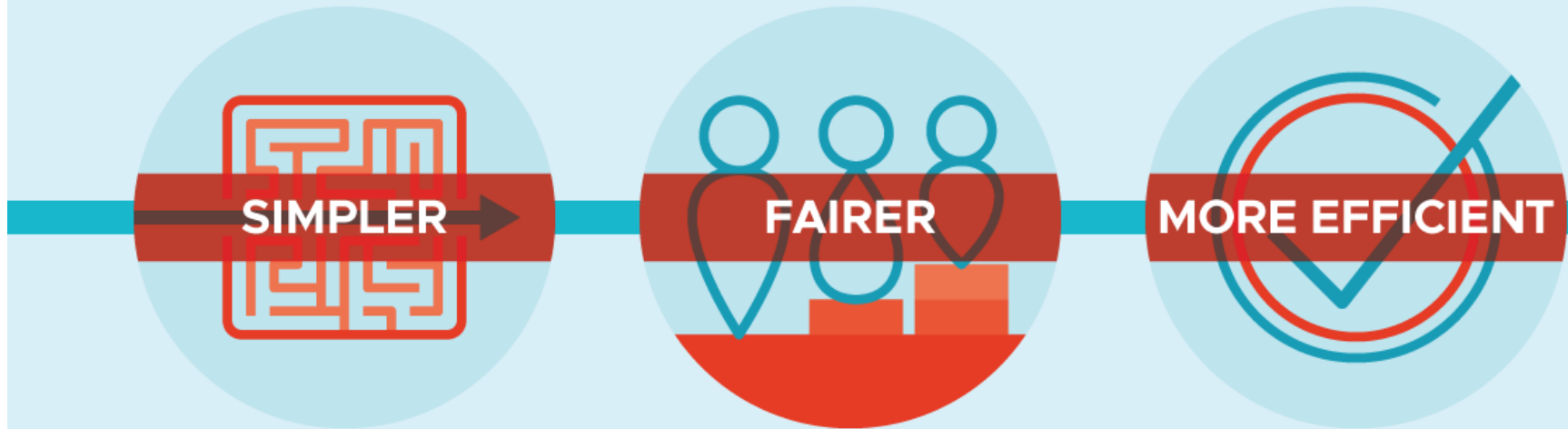
Note: The major revenue eroding measures are highlighted in bold red. In 2007, RA 9337 was enacted. This increased the VAT from 10 to 12 percent, but it also came with some revenue eroding measures such as the reduction of the corporate income tax rate from 35 to 30 percent.

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# Tax Reform for Acceleration and Inclusion

We are redesigning our tax system to be simpler, fairer, and more efficient for all, while also raising the resources needed to invest in our infrastructure and our people.

**Our goal is to correct our tax system's problems to become:**



*We will lessen the overall tax burden of the poor and the middle class.*

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# Simplifying the Tax System

We are simplifying the income tax brackets by decreasing it to six (6) brackets. Tax rates for 99% of taxpayers will gradually decrease over the next few years of implementation.

*Exemption of bonuses below ₱82,000 will be retained. These include 13<sup>th</sup> month pay and other benefits such as productivity incentives and Christmas bonus.*

*Those with an annual taxable income of around ₱500,000 are currently taxed with a 32% rate. With the proposed brackets, their tax rate will now be reduced to 20%.*

## CURRENT TAX SCHEDULE

Annual Taxable Income	Tax Rate
0 - 10,000	5%
Over 10,000 - 30,000	500 + 10% of the excess over 10,000
Over 30,000 - 70,000	2,500 + 15% of the excess over 30,000
Over 70,000 - 140,000	8,500 + 20% of the excess over 70,000
Over 140,000 - 250,000	22,500 + 25% of the excess over 140,000
Over 250,000 - 500,000	50,000 + 30% of the excess over 250,000
Over 500,000	125,000 + 32% of the excess over 500,000

## PROPOSED TAX SCHEDULE (2018)

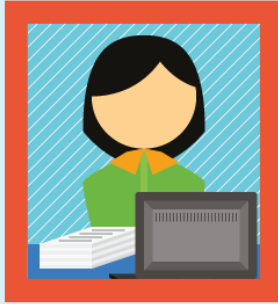
Annual Taxable Income	Tax Rate	Percent of Taxpayers
0 - 250,000	0%	83%
Over 250,000 - 400,000	20% of the excess over 250,000	8%
Over 400,000 - 800,000	30,000 + 25% of the excess over 400,000	6%
Over 800,000 - 2,000,000	130,000 + 30% of the excess over 800,000	2%
Over 2,000,000 - 5,000,000	490,000 + 32% of the excess over 2,000,000	1%
Over 5,000,000	1,450,000 + 35% of the excess over 5,000,000	0.1%

## PROPOSED TAX SCHEDULE (2021 onwards)

Annual Taxable Income	Tax Rate
0 - 250,000	0%
Over 250,000 - 400,000	15% of the excess over 250,000
Over 400,000 - 800,000	22,500 + 20% of the excess over 400,000
Over 800,000 - 2,000,000	102,500 + 25% of the excess over 800,000
Over 2,000,000 - 5,000,000	402,500 + 30% of the excess over 2,000,000
Over 5,000,000	1,302,500 + 35% of the excess over 5,000,000

*The simplified tax system will increase the take-home pay of most individuals thereby putting more money in people's pockets. This will make the system fairer and more equitable.*

# Impact on Taxpayer's Personal Income



## Clerk IV (Monthly income: PHP 15,368)

**A** Annual basic salary:  
PHP **184,416**

**B** 13<sup>th</sup> month pay and other benefits:  
PHP **40,736**

**C** Mandatory contributions:  
PHP **22,536**

**D** Personal exemption:  
PHP **50,000**

**E** Allowance for dependents (two children):  
PHP **50,000**

### Current Tax System

Annual gross income:  
**A + B** **225,152**

Deductions and exemptions:  
**B + C + D + E** **163,272**

Net taxable income: **61,880**

Income bracket: **Over 30,000 - 70,000**  
(2,500 + 15% of the excess over 30,000)

Tax due: PHP **7,282**

### Proposed Tax System

Annual gross income:  
**A + B** **225,152**

Deductions and exemptions:  
**B + C** **63,272**

Net taxable income: **161,880**

Income bracket: **Over 0 - 250,000 (0%)**

Tax due: PHP **0**

Tax savings: PHP **7,282**

*Entry-level workers whose annual income does not exceed ₱250,000 do not have to pay an income tax.*



# Tax Reform Program: Package 1

We are putting more money in people's pockets



We want to fund investments for our people for a more inclusive growth



Shift to a simplified Personal Income Tax (PIT) system by adjusting brackets to correct *income creeping*, and reducing the max rate to 25% over time, except for the highest income earners to maintain progressivity.



Restructure the tax for micro businesses to a flat rate of 8% (in lieu of income and VAT, or percentage taxes) for businesses with gross sales below ₱3 million.



Reduce and restructure the donor's tax to a single tax rate of 6% on net donations for gifts exceeding ₱100,000 annually, regardless of relationship between donor and donee.



Reduce and restructure the estate tax to a single tax rate of 6% based on the net value of the estate. Standard deduction of ₱1 million and up to ₱3 million for family homes is exempted.



Broaden the VAT system by limiting exemptions to raw food and other necessities (e.g. education and health).



Staggered increase of excise tax on all petroleum products and index to inflation.



Update excise tax on automobiles.



Introduce a tax on sugar-sweetened beverages (SSB) with adjustment every three years based on cumulative inflation (House Bill 5636).

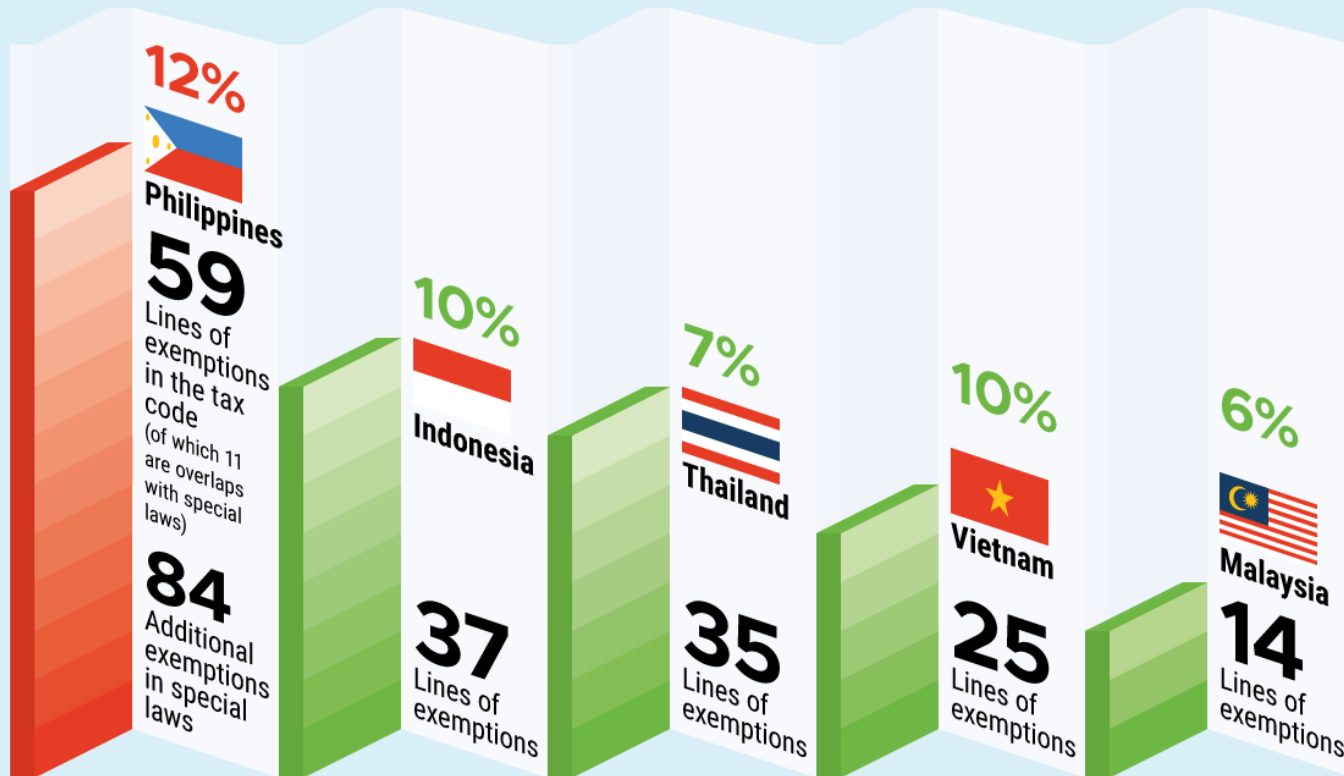
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*We are committed to uplift the poor and the vulnerable through a progressive social protection using targeted cash transfers and public transport subsidies.*



# VAT Comparison with Other Countries

A fair VAT system is one with a low rate and exemptions limited to raw food, health and education.



In the Philippines, we have a VAT system with numerous exemptions leading to large leakages as people take advantage of the VAT system to pay less tax.





# Oil Excise Rates

One of the major provisions of the tax reform proposal is the staggered increase in oil excise. The current rates have been unadjusted since 1997, draining some ₱145 billion annually.

Under the proposal, rates will be adjusted gradually starting the second half of 2017 to 2019, and will be indexed annually in the succeeding years.

## Proposed excise tax on oil products

Pesos per liter	1997 - 2017	2018	2019	2020	2021*
Diesel and essentials	Php 0.00	Php 3.00	Php 5.00	Php 6.00	Php 6.24
Gas and non-essentials	Php 4.35	Php 7.00	Php 9.00	Php 10.00	Php 10.40

\* Annual indexation by 4% starting 2021

\*\* There shall be no indexation for the year if the average Dubai crude oil price in the month preceding the scheduled indexation exceeds 100 USD per barrel.

\*\*\* Essentials include processed gas, kerosene, diesel fuel oil, liquefied petroleum gas, asphalt, and bunker fuel oil. Non-essentials include lubricating oils and greases, naphtha, regular gasoline, premium gasoline, and aviation turbo jet fuel.

## Indicative pump price based on USD 53.72 per barrel

Pesos per liter	Jan 2017	2018	2019	2020	2021
Diesel	32	35	37	38	39.52
Gasoline	46	49	51	52	54.08



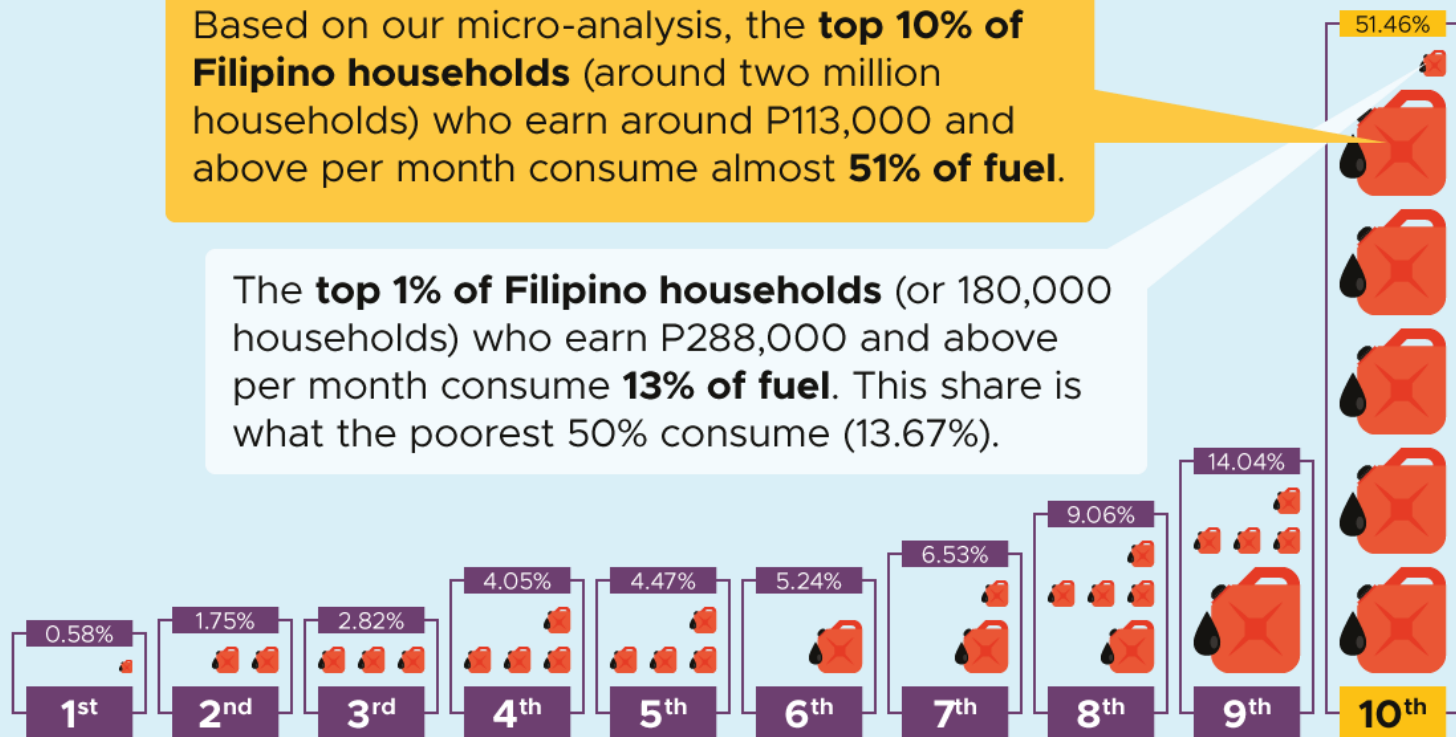
# Why do we need to increase oil excise?

Oil excise is a highly progressive tax since those who consume more will pay more tax compared to those who consume less.

## FUEL CONSUMPTION BY INCOME DECILE

Based on our micro-analysis, the **top 10% of Filipino households** (around two million households) who earn around P113,000 and above per month consume almost **51% of fuel**.

The **top 1% of Filipino households** (or 180,000 households) who earn P288,000 and above per month consume **13% of fuel**. This share is what the poorest 50% consume (13.67%).

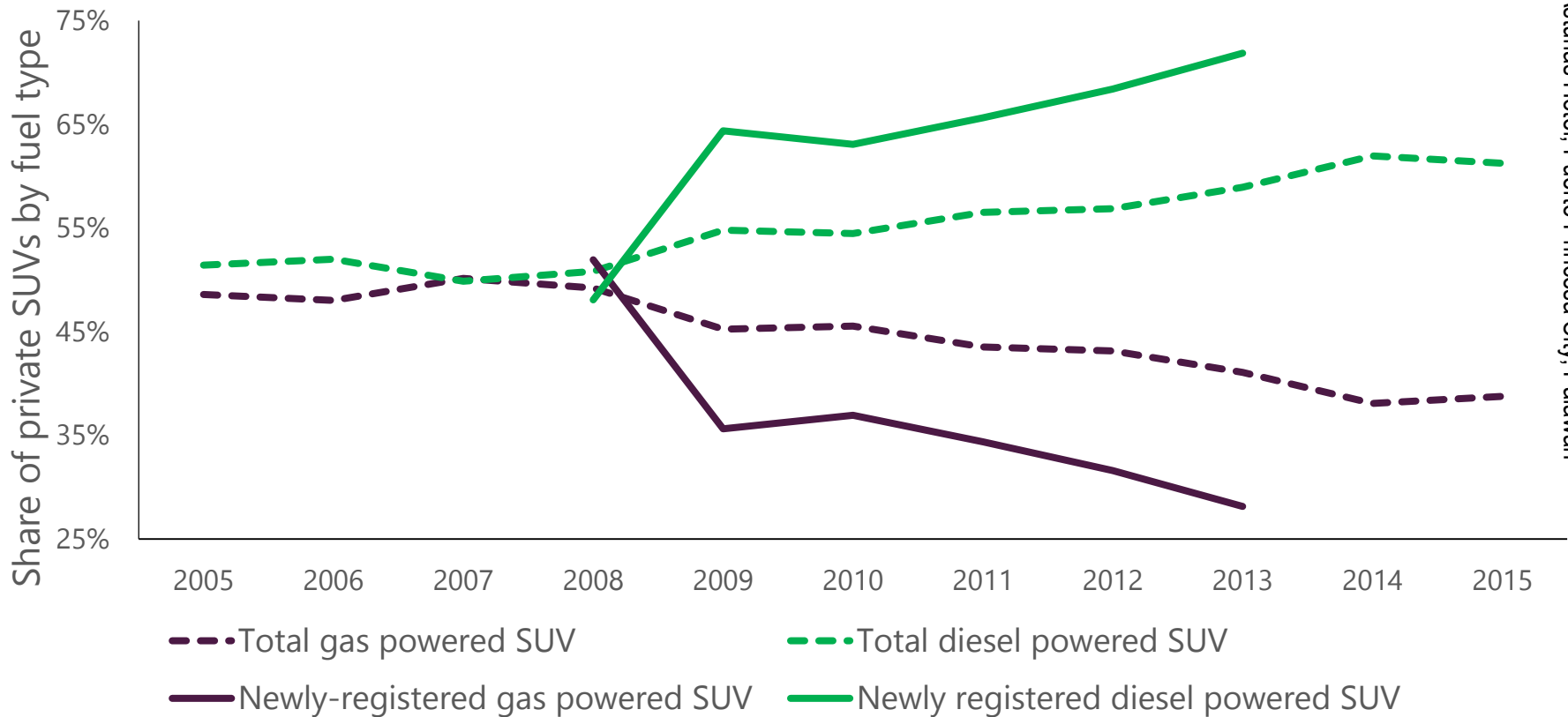


*\*DOF staff estimate based on the preliminary Family Income and Expenditure Survey (FIES) 2015*



# Consequence: 72% of newly-registered SUVs are diesel-powered, which is tantamount to exempting the rich

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Source: LTO annual statistics

# Automobile Excise Rates

In the proposed system, basic cars will be taxed at lower rates while more expensive cars will be taxed at higher rates. These revised rates are considerably lower than the original proposal.

## Proposed excise tax on automobiles

Net manufacturing/importation price in pesos	Current rates	Avg. effective tax rate	Proposed rates	Avg. effective tax rate
Up to 600,000	2%	2%	4%	3%
Over 600,000 to 1.1 million	12,000 + 20% in excess of 600,000	5%	24,000 + 40% in excess of 600,000	10%
Over 1.1 million to 2.1 million	112,000 + 40% in excess of 1.1 million	15%	224,000 + 80% in excess of 1.1 million	31%
Over 2.1 million	512,000 + 60% in excess of 2.1 million	22%	1,024,000 + 120% in excess of 2.1 million	45%

as of 05/08/2017



# Automobile Excise Rates

Using the proposed auto excise rates, the following are sample suggested retail prices of selected cars:

## Suggested retail price (SRP) of automobiles (in pesos)

Brand and Model	Current SRP	Proposed SRP*	Change in SRP
Toyota Vios 1.3 Base	599,000 2%	609,734 4%	10,734
Mitsubishi Mirage G4 GLS	740,000 2%	753,261 4%	13,261
Toyota Innova 2.0 J	919,000 12,000 + 20% in excess of 600,000	962,725 24,000 + 40% in excess of 600,000	43,725
Ford Everest Titanium 2.2 4x2	1,739,000 112,000 + 40% in excess of 1.1 million	1,994,898 224,000 + 80% in excess of 1.1 million	255,898
Toyota Land Cruiser 4.5 V8	4,455,000 512,000 + 60% in excess of 2.1 million	5,413,496 1,024,000 + 120% in excess of 2.1 million	958,496

\*Proposed SRP is computed as (net manufacturer's price + excise tax + VAT)

Additional revenues raised through this excise tax will be used to improve traffic management solutions, and fund climate change-resilient infrastructure.

as of 05/04/2017



# Excise Tax on Sugar-Sweetened Beverages (SSB)

The proposed tax on SSBs is a health measure meant to discourage the consumption of high-sugar beverages, while encouraging industry players to develop healthier product alternatives.

## SSB TAX (HB 5636)



**P10 per liter of volume capacity for SSBs containing purely locally produced sugar**

**P20 per liter of volume capacity for others**

with adjustment every three years based on cumulative inflation

## Products covered by SSB tax:



**Sweetened juice drinks**



**Sweetened tea and coffee**

**Other beverages:**



All carbonated beverages with added sugar, including those with caloric and non-caloric sweeteners



Flavored water

Energy drinks

Sports drinks



Powdered drinks not classified as milk, juice, tea, or coffee

Cereal and other grain beverages

Other non-alcoholic beverages that contain added sugar

# Tax administration and tax policy reforms are both needed for the BIR and BOC to succeed

Since 2016, the government has been prioritizing improvements in the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC).



**Mandatory fuel marking** to curb oil smuggling

Provision for use of **electronic receipts**

Cash registers/point of sale machines shall be connected to BIR systems for **real-time reporting of sales and purchase data**

**Bank secrecy relaxation** for criminal cases

# High end revenue impact in 2018

DOF amended

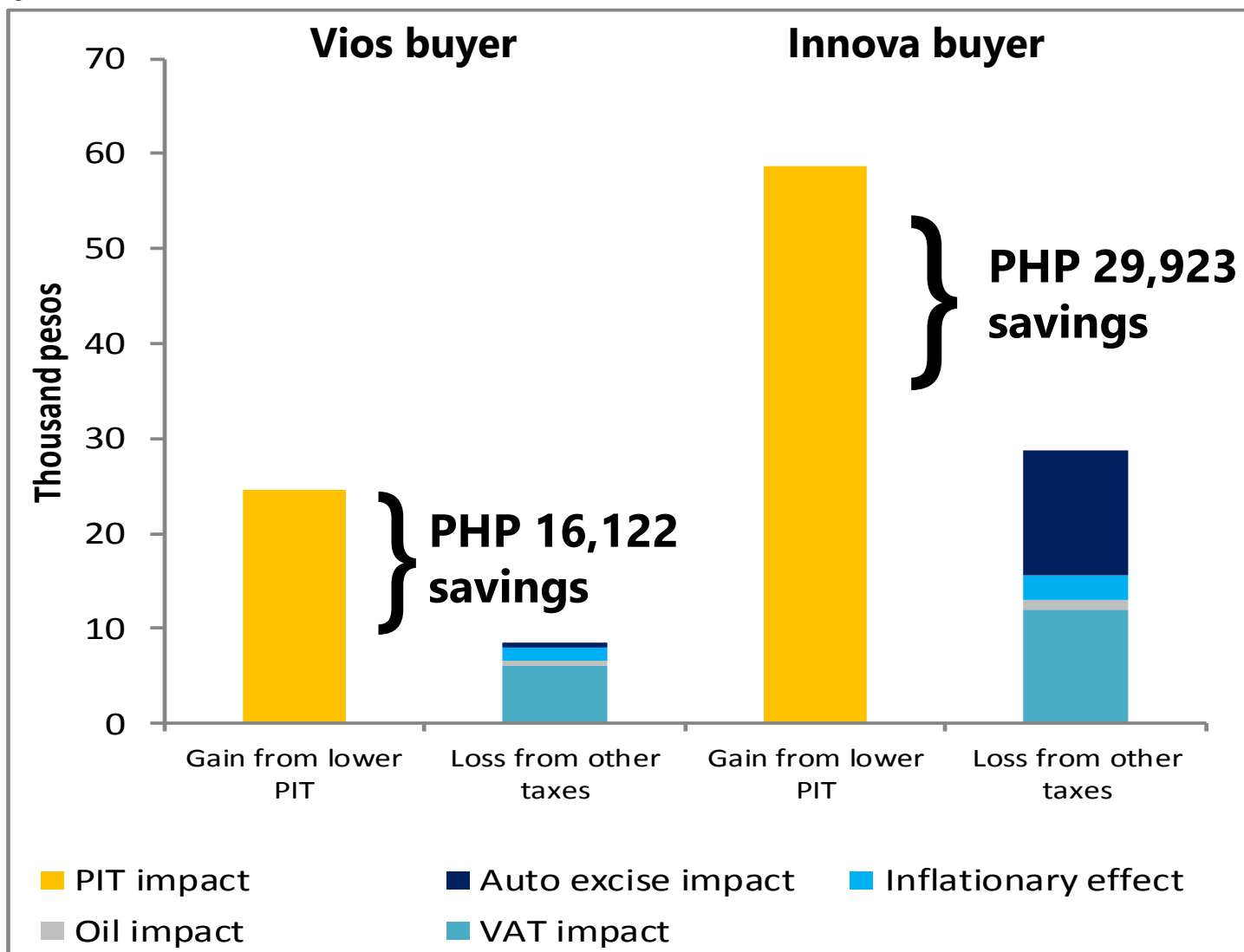
DOF amended (in billion pesos)	Loss	Gain	Net
<b>Package 1: PIT and consumption</b>			<b>157.2</b>
<b>Tax policy measures</b>	<b>-140.1</b>	<b>187.7</b>	<b>47.6</b>
Lower personal income tax rate	-137.0		
Estate and donor tax	-3.1		
VAT base expansion		89.3	
Automobile excise		24.0	
Petroleum excise		74.4	
<b>Tax administration measures</b>		<b>43.8</b>	<b>43.8</b>
<b>Complementary measures</b>		<b>65.8</b>	<b>65.8</b>
DOF amended (% of GDP)	Loss	Gain	Net
<b>Package 1: PIT and consumption</b>			<b>0.9</b>
<b>Tax policy measures</b>	<b>-0.8</b>	<b>1.1</b>	<b>0.3</b>
Lower personal income tax rate	-0.8		
Estate and donor tax	0.0		
VAT base expansion		0.5	
Automobile excise		0.1	
Petroleum excise		0.4	
<b>Tax administration measures</b>		<b>0.3</b>	<b>0.3</b>
<b>Complementary measures</b>		<b>0.4</b>	<b>0.4</b>

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Note: 40% of the first year incremental revenue from oil will be earmarked to mitigating measures such as targeted cash transfers, and PUV modernization, and the rest will be allocated only to investment, education, health, and social protection.



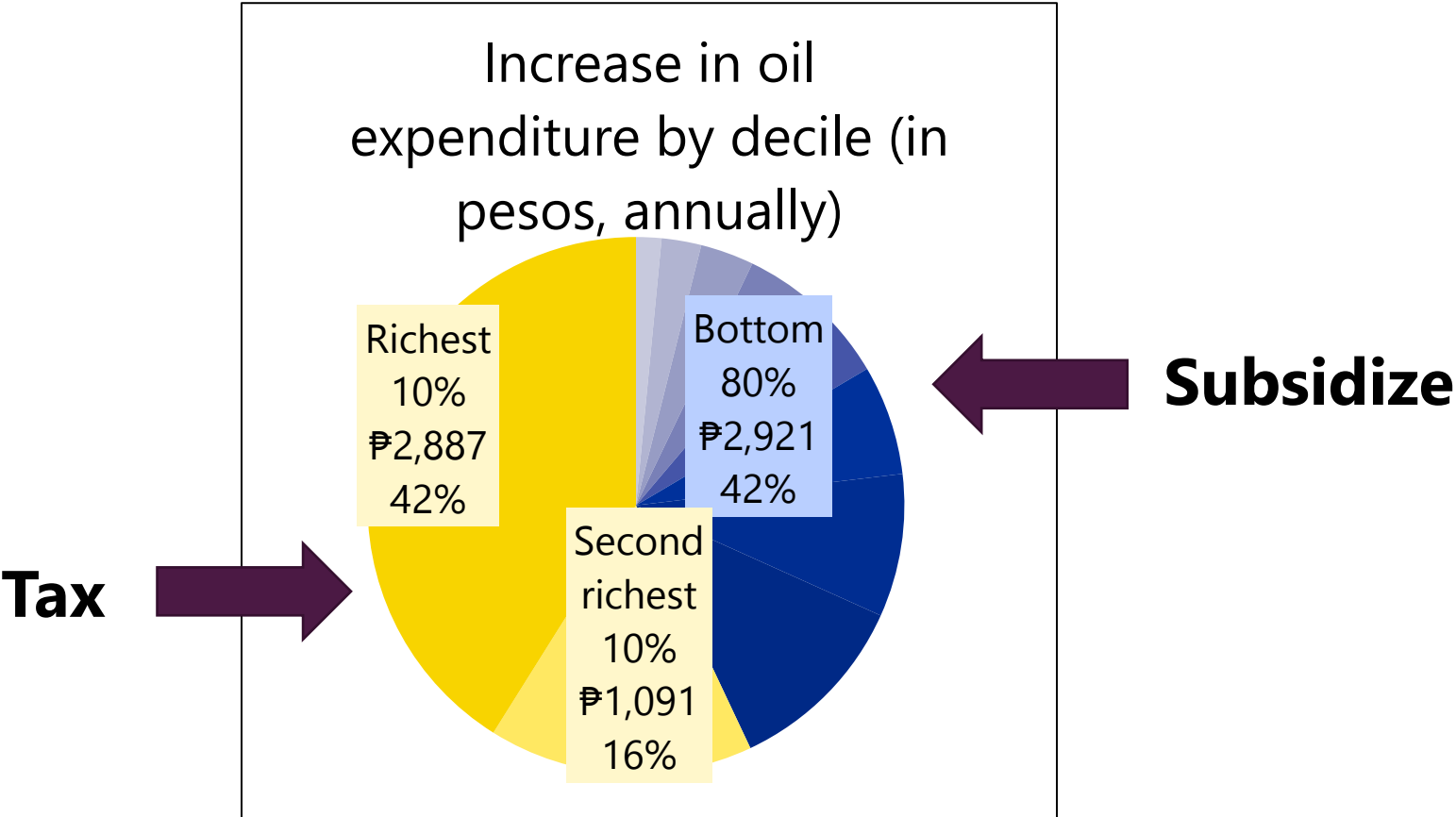
Gains from the lower PIT regime are more than enough to offset additional expenses from higher oil prices, car loan payments, and inflation.



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# The richest 10% of families will pay more than the poorest 80% combined.



Note: D1 refers to the first decile or the poorest 10% of households based on the preliminary 2015 Family Income and Expenditure Survey (FIES). Each succeeding decile consists of the next 10% of households based on total household income. Amounts above are averages for each decile.

# Protecting the poor and low income Filipinos: VAT

- **VAT threshold** for marginal establishment will be increased from 1.9 to around 3 million pesos, thereby exempting the sale of goods from VAT. Note:
  - Cooperatives below the threshold will still be exempt.
  - Raw agricultural products will continue to be VAT exempt.
- To mitigate the impact of higher oil excise:
  - **Targeted transfers:** 200 pesos per month for 1 year to the poorest 50% of households (10 million households) to mitigate the temporary and moderate increase in prices.
  - **Pantawid pasada:** Cash cards to PUVs to offset the increase in excise taxes, so fares need not increase.
  - **Pantawid kuryente:** Subsidy to lifeline consumers in SPUG areas that use diesel or bunker fuel to power their communities
  - **Social welfare card:** Identification cards for the poor to receive social services
  - **Public transport modernization:** subsidies to PUVs to convert to more efficient engines and bodies.

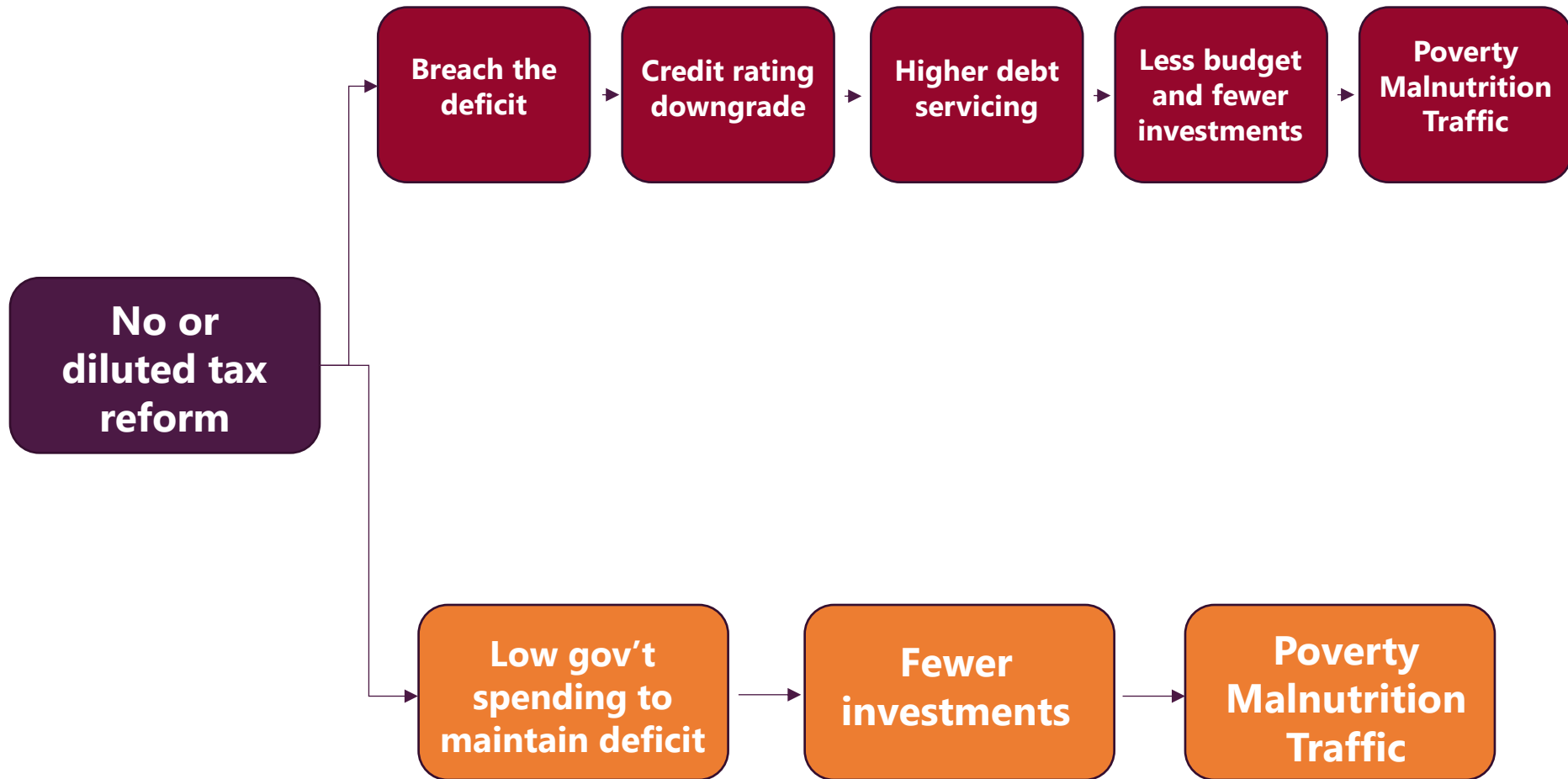
To use the tax system to protect the poor and low income earners results into massive leakages. A better system is to use budget subsidies.

# Is the tax reform anti-poor?

## Two key concerns

- Tax reform and the economy (**deficit impact**)
  - A deficit above 3% courts a credit downgrade and will ultimately impoverish the people.
- Tax reform and the people (**price impact**)
  - Price impact is small to moderate.
  - If the idea is to have everyone benefit, then all taxes must be eliminated, but we all know that is clearly not right.

# If no or diluted tax reform, there are only 2 choices that will lead to the same outcome



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# S&P warns against the tax reform agenda stalling

CREDIT RATER KEEPS STABLE PH OUTLOOK

## S&P: Upgrade unlikely, may cut if reform stalls

BY MAYVELIN U. CARABALLO, TMT ON JANUARY 12, 2017

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Standard & Poor's Global Ratings maintained its stable outlook for the Philippines' investment grade rating for now, saying no upgrade may be expected in the next two years and that it may even cut the rating if the government reform agenda stalls.

"The stable outlook balances the Philippines' lower middle-income economy and diminished policy stability, predictability, and accountability against its strong external position, which features rising foreign exchange reserves and low and declining external debt," the credit rating agency said in a report released Wednesday.

It said it may consider a rating upgrade for the country if continued fiscal improvements under the new administration boost investment and economic growth prospects, or if improvements in the policy environment lead to a better assessment of institutional and governance effectiveness.

However, it added, "A higher rating is unlikely over our two-year ratings horizon."

S&P even pointed out, "We may lower the ratings if, under the new administration, the reform agenda stalls or if there is a reversal of the recent gains in the Philippines' fiscal or external positions."

### Tax reform bill pending in Congress

The government led by President Rodrigo Duterte has launched reform measures intended to strengthen the country's fiscal, political and economic position for sustainable growth.

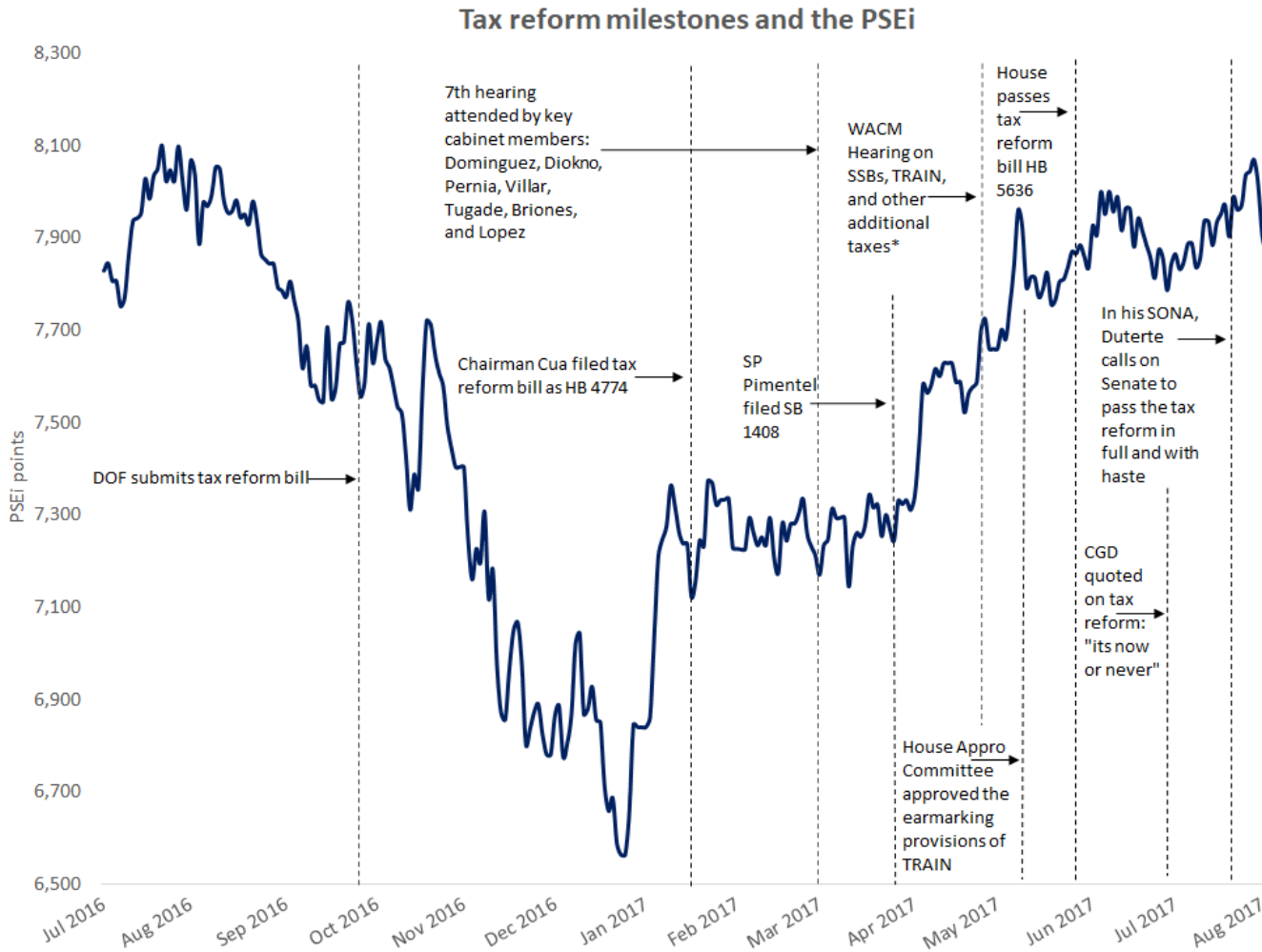
A vital element of the reform plan is a comprehensive tax reform program, which was filed in Congress in September last year and remains pending with the House Committee on Ways and Means.



"Standard and Poor's... may even cut the rating if the government's reform agenda stalls."

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# Stocks respond to the tax reform



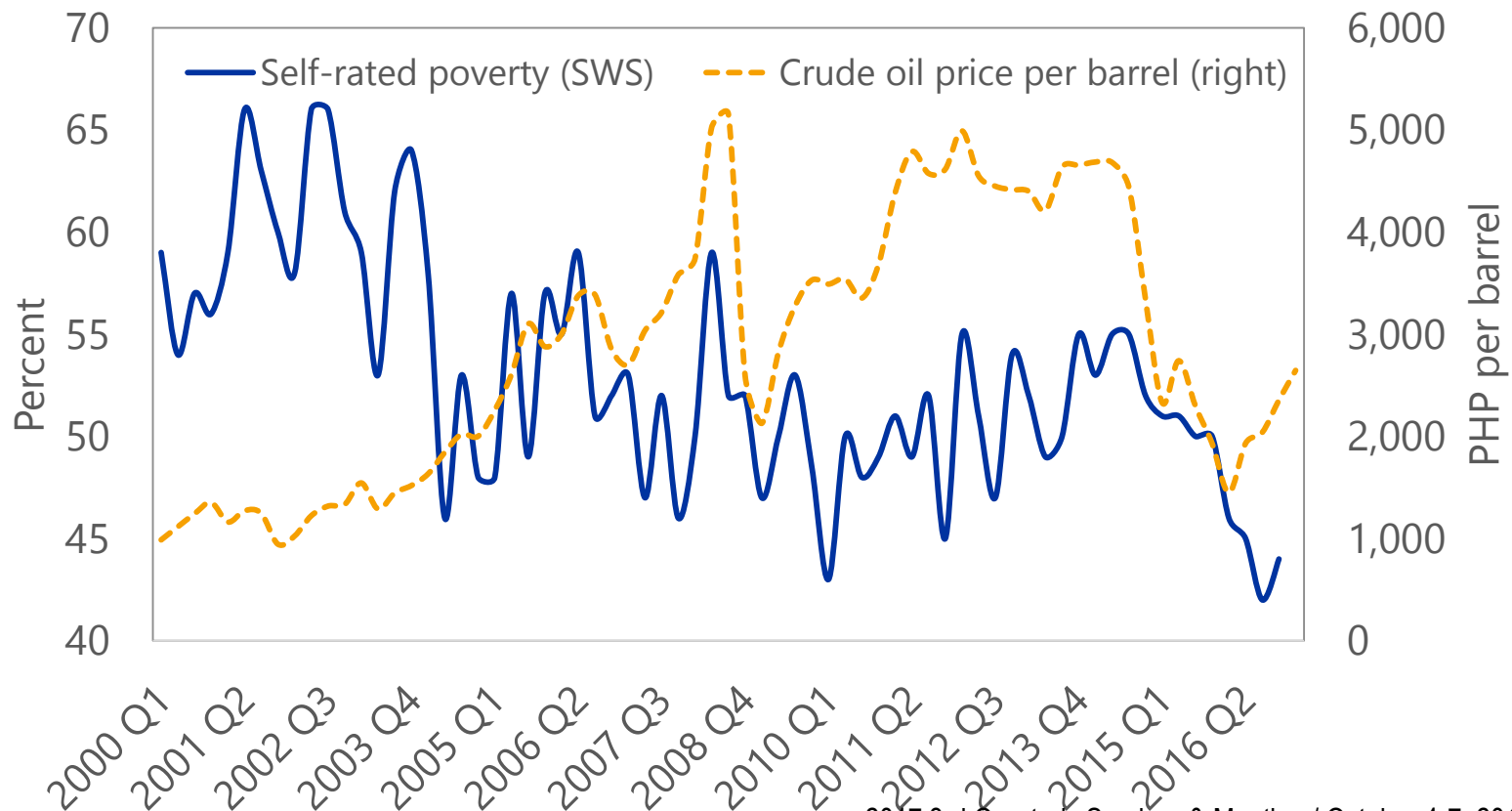
Sources: DOF, PSE, and WSJ

\*The Committee moved for a motion to approve the TWG report as the Committee report to be referred to the House Appropriations Committee for the earmarking provisions of the bill. The motion was approved with 17 yes votes, 3 abstain votes, and 4 no votes.

# Self-rated poverty and crude oil prices are not correlated

- Since 2000, **correlation is -0.4**, indicating very weak relationship.

Self-rated poverty and crude oil prices



Sources: SWS and World Bank

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# Price effect of excise on inflation 2018 (maximum effect)

Commodity	Share of CPI (%)	CPI 2016	Share of petroleum products as input (%) <sup>1</sup>	Net impact of excise to prices (%) <sup>2,3</sup>				Inflation rate (%) <sup>4,5,6</sup>
				Diesel	Gasoline	LPG	Kerosene	
Food	36	163	10	1.1	0.6	0.7	0.9	0.9
Transportation	6	128	30	3.3	1.9	2.0	2.7	2.8
Electricity	7	124	7	0.8	0.4	0.5	0.6	0.7
Others	51	135	6	0.7	0.4	0.4	0.6	0.6
<b>Total</b>	<b>100</b>	<b>144</b>						<b>0.9</b>

## Notes:

1. Transportation share is the daily average of jeepney and bus operation in Metro Manila based on the National Tax Research Center computation. Electricity share is based on the Department of Energy power statistics.
2. The net impact of the excise is obtained by multiplying the share of oil as input and the price increase as a result of the excise.
3. The increase in the price of the petro products as a result of an increase in excise tax using the petro prices in Metro Manila in 2016
4. Weighted net impact of the increase in excise tax on each commodity computed based on weights below using HECS 2011
5. Overall inflation computed from the weighted average of commodity inflation based on the share of CPI
6. Percentage point on top of the BSP projected inflation.

	Pump price (Dec 2016) (PhP)	Net impact of excise on commodity inflation	Share of consumption
Diesel	30.3	11.1%	64.5%
Gasoline	46.0	6.3%	29.4%
LPG	650.0	6.7%	4.7%
Kerosene	36.8	9.1%	1.3%

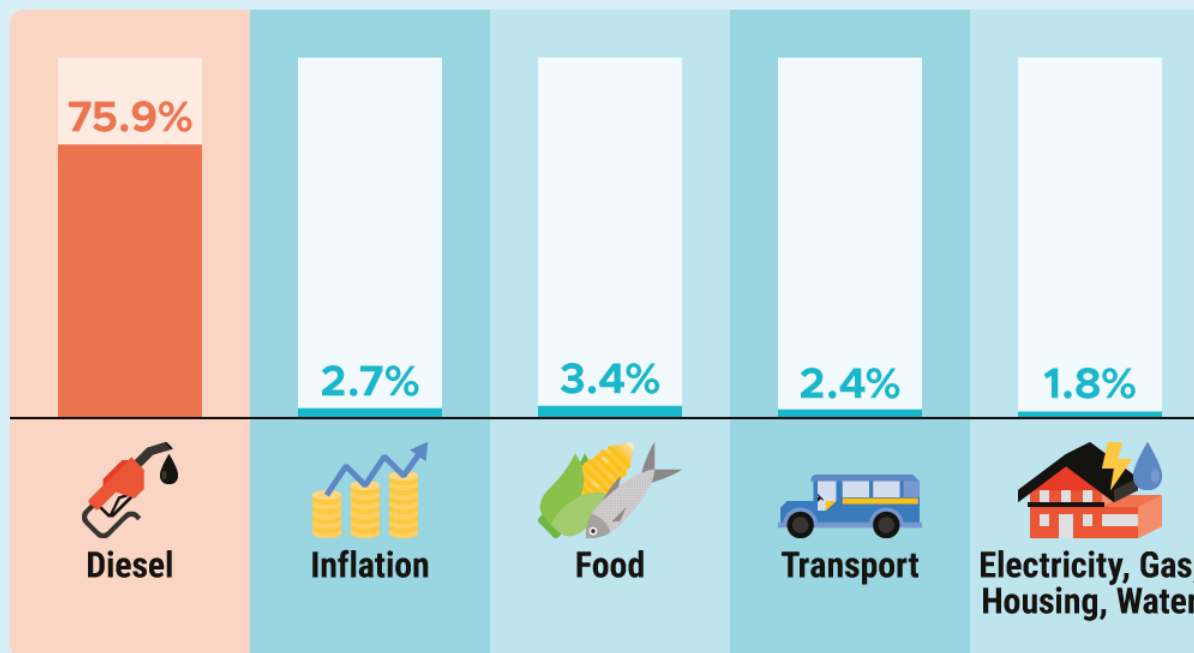


# Lessons from the past

*Inflation remains low and stable despite significant increase in diesel prices in 2016*

From January 2016 to January 2017, overall inflation was only 2.7% and food inflation was 3.4% compared to the diesel price change which is 75%.

## January 2017 year-on-year inflation rates



Sources: PSA, DOE  
\*January y-o-y change  
in diesel price  
Jan 25-29 2016: 18.25  
Jan 29 2017: 32.10

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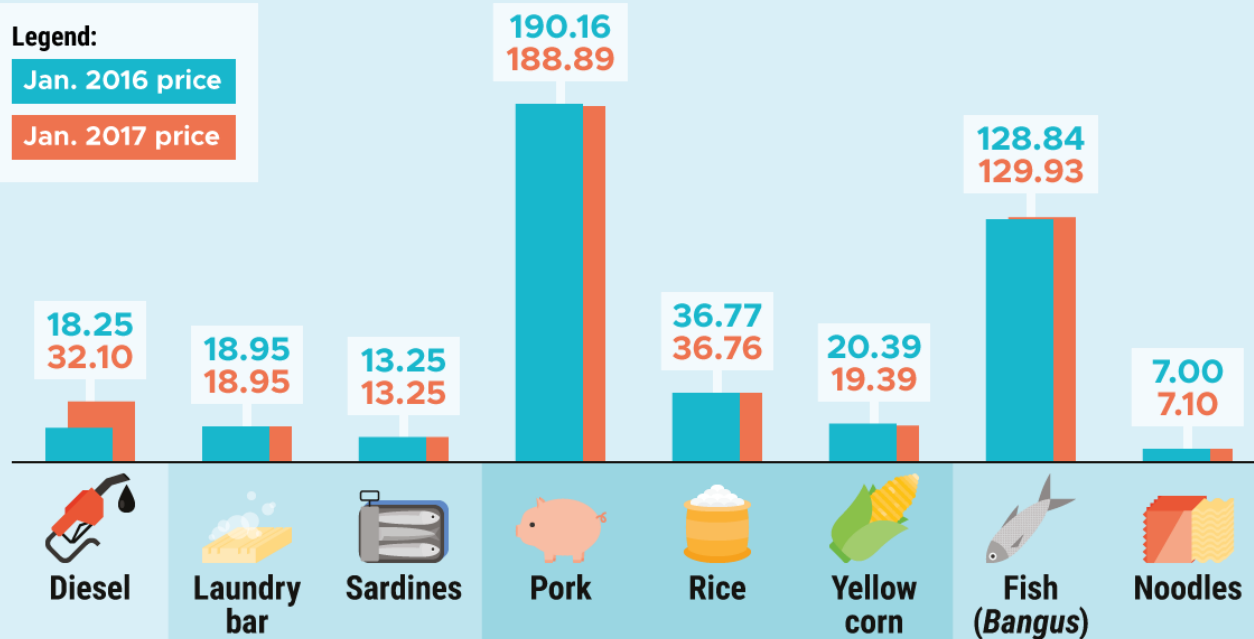
# Effect of Oil Excise on Commodities

Retail prices are determined by many factors, not just oil. For instance, from January 2016 to January 2017, diesel price increased by around ₱14, a 75% increase.

Legend:

Jan. 2016 price

Jan. 2017 price



However, prices of most items such as laundry bar and sardines did not increase.

Prices of the most essential food like pork, rice, and corn even fell.

Of the items that increased, price change is minimal.

Sources: Philippine Statistics Authority (PSA), Department of Trade and Industry (DTI), Department of Energy (DOE)



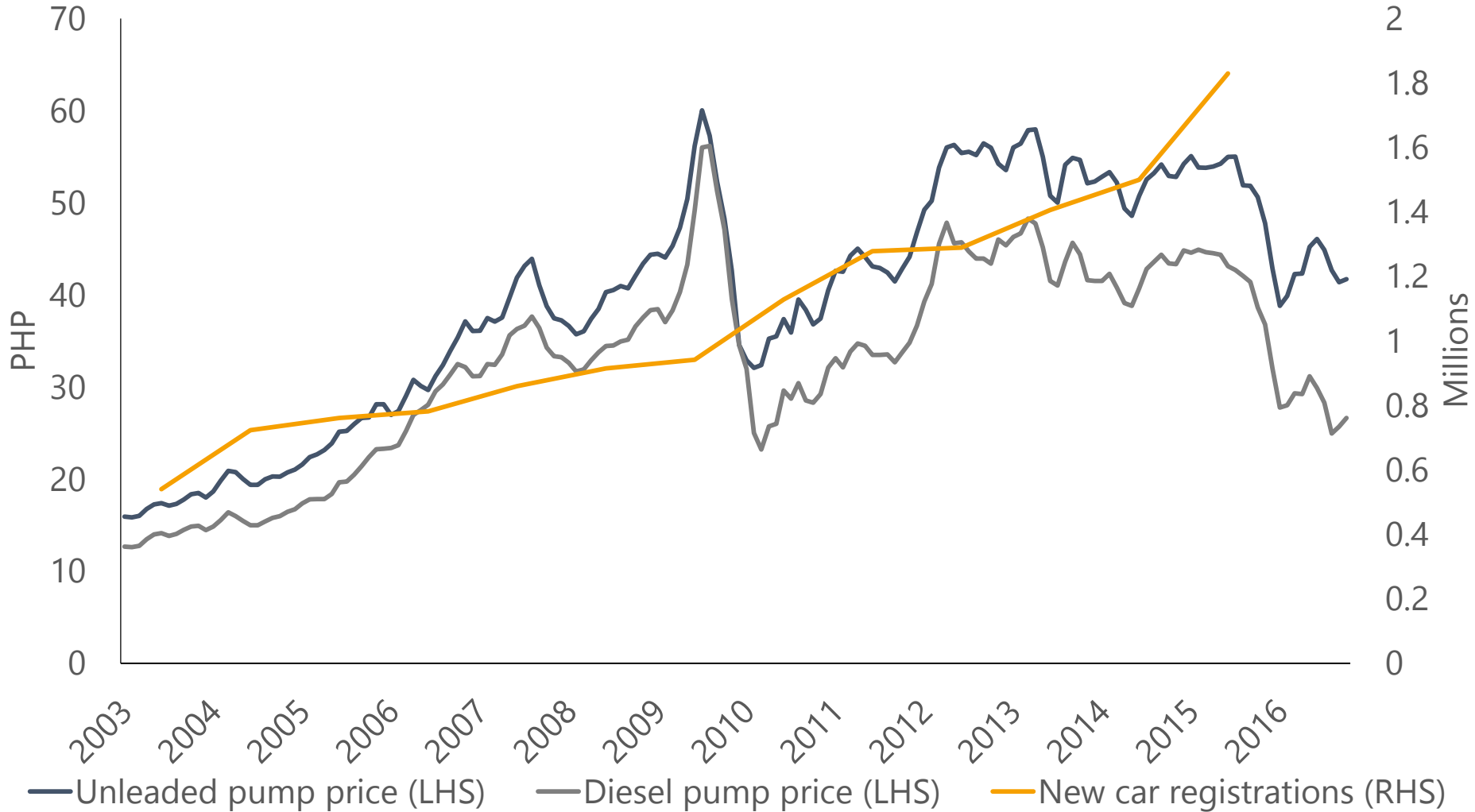
# A comparison

*Reform of VAT in 2005 and oil price shock in 2011:  
We managed well and became much stronger.*

Indicator	VAT reform			Oil price shock		
	2004	2005	2006	2010	2011	2012
<b>Effective VAT rate</b>	<b>0</b>	<b>10</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>
<b>Dubai crude (US dollars)</b>	<b>34</b>	<b>49</b>	<b>61</b>	<b>78</b>	<b>106</b>	<b>109</b>
GDP growth	6.7	4.8	5.2	7.6	3.7	6.7
Consumption	6.0	4.4	4.2	3.4	5.6	6.6
<b>Overall Inflation</b>	<b>4.8</b>	<b>6.5</b>	<b>5.5</b>	<b>3.8</b>	<b>4.6</b>	<b>3.2</b>
Food inflation	6.0	6.4	5.2	4.0	5.5	2.4
Transport inflation	11.5	16.8	10.7	3.7	6.0	2.3
Electricity inflation	3.8	7.5	5.9	5.1	5.2	4.6
Gasoline (in pesos)	20.1	26.5	30.0	35.5	48.1	48.6
Diesel (in pesos)	18.0	25.9	30.2	31.4	41.3	41.7

Inflation remained moderate even with the increase in VAT and a significant increase in crude price

# Cars increase every year despite a more than doubling of oil prices



*Tax reform is really about **INVESTING**  
in every Filipino's **FUTURE**.*





*We need tax reform because we want all Filipinos to rise above poverty and be prosperous by 2040.*





*No tax reform means:  
The poor will likely remain poor*

*No significant investments in infrastructure, education, and health*

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*It is crucial for the success of the  
“golden age of infrastructure”.*



**BUILD BUILD BUILD**

**The Duterte Administration's  
Infrastructure Plan**

**BUILD  
BUILD  
BUILD**  
PHILIPPINE INFRASTRUCTURE TRANSPARENCY PORTAL

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*No tax reform means:  
Far less budget for rural development  
Such as badly needed farm to market roads and irrigation*

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*No tax reform means:  
Little improvements in public transportation  
More time in traffic, less productive people, less time for love ones*





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*No tax reform means:  
Access to quality education evades many  
Classrooms will continue to be cramped and teachers  
overworked, hampering our children's learning potential*



*No tax reform means:  
Quality health care escapes the poor  
The poor are likely to get sick and not be attended well,  
draining their income and chances of succeeding.*

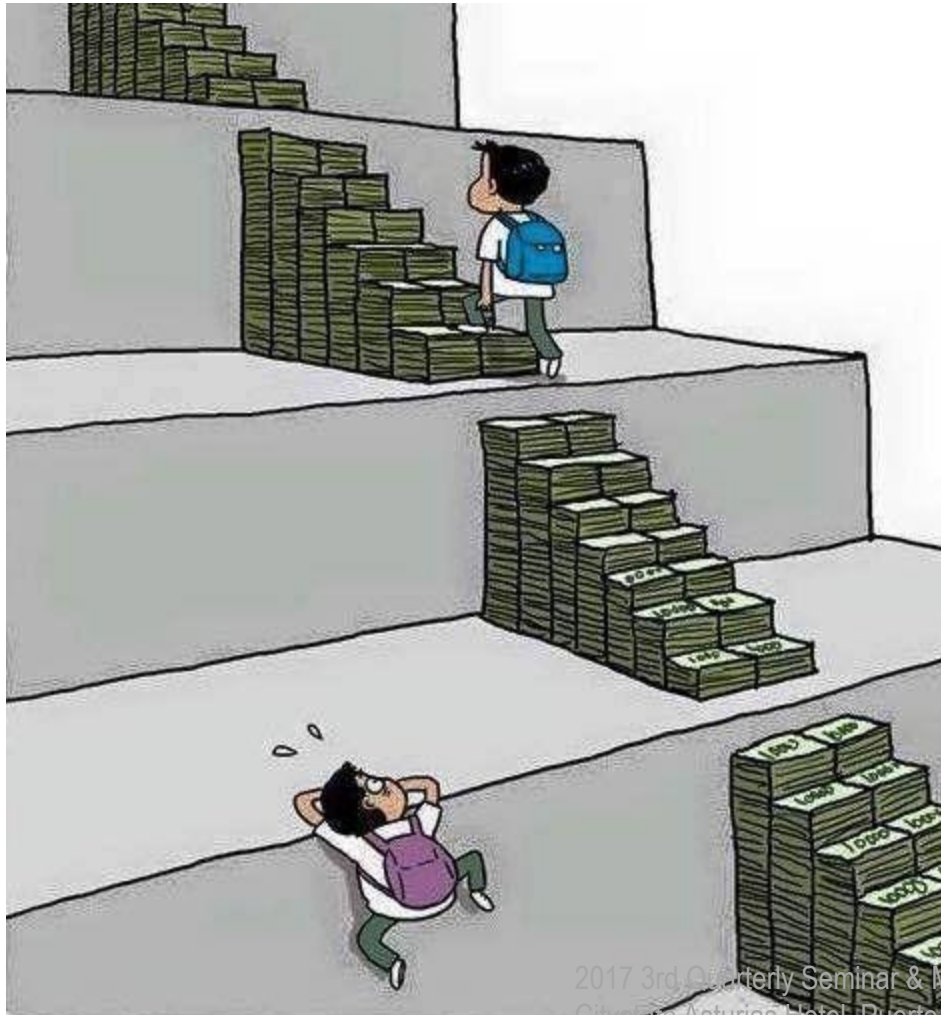


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# Key messages

1. Tax reform when seen as a **package** provides benefits to 99% of Filipinos.
2. More important than the tax is how we spend the money to **benefit poor Filipinos**.
3. The tax reform is an **investment in our future**. No investment is easy. There are short term challenges but everyone benefits in the long term.

# Tax reform as bridging the future



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Source: <https://www.pinterest.com/explore/social-stratification/>



A young girl with long dark hair, wearing a pink shirt, is smiling warmly while holding a baby. The baby is wearing a light-colored sleeveless top and looking towards the camera. The background is slightly blurred, showing what appears to be a wooden structure. A semi-transparent pink banner is overlaid across the middle of the image, containing the text.

*This administration can make a lasting  
difference in each Filipino's life*

# Let's be partners for change!

- For more information, please visit:

[www.dof.gov.ph/taxreform/](http://www.dof.gov.ph/taxreform/)

[facebook.com/DOFph](https://facebook.com/DOFph)



The screenshot shows the 'tax CALCULATOR' interface. It features a purple header with the Department of Finance logo and a 'P' icon. Below the header, there are two input fields: 'Monthly Salary' with a value of 'P 21,000.00' and 'Number of Dependents' with a value of 'Single with 1 dependents'. The results are displayed in two sections: 'NGAYON' (Now) showing a tax amount of 'P 2,082.71' with the note 'ang kalitas sa 'yo.' (the quality is yours), and 'SA TAX REFORM' (With Tax Reform) showing a tax amount of 'P 0.00\*' with the note 'na lang ang babayaran mo! (Ye-heees!)' (you only have to pay!).



The screenshot shows the Facebook page for the Department of Finance (@DOFPH). The page features the Department of Finance logo and a navigation menu with options like Home, Posts, Photos, Videos, Notes, About, and Likes. A prominent post is a 'Press Release' dated February 9, 2017, with the headline 'Local, foreign biz groups urge Congress to pass CTRP, 11 other measures'. The text of the press release states: 'Fifteen foreign and local business organizations have appealed to Malacanang and the Congress to give top priority to the Comprehensive Tax Reform Program (CTRP) and 11 other legislative proposals that aim to improve the country's investment climate, create more jobs, sustain the growth...'

- For questions: [DOFtaxreform@dof.gov.ph](mailto:DOFtaxreform@dof.gov.ph)

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