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SENATE
P.S. Resolution No. 597

RECEIVED BY:

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

**A RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEES TO
CONDUCT AN ASSESSMENT OF THE IMPLEMENTATION OF THE
UNCONDITIONAL CASH TRANSFER UNDER THE TAX REFORM FOR
ACCELERATION AND INCLUSION LAW (TRAIN)**

WHEREAS, Article II Sec. 10 of the 1987 Philippine Constitution provides that the State shall promote social justice in all phases of national development. Article VI Sec. 28 (1) further states that the rule of taxation shall be uniform and equitable and that Congress shall evolve a progressive system of taxation;

WHEREAS, the Constitution asserts that Congress shall give highest priority to the enactment of measures that protect and enhance the right of all the people to human dignity, reduce social, economic, and political inequalities, and remove cultural inequities by equitably diffusing wealth and political power for the common good;

WHEREAS, Republic Act No. 10963 or the Tax Reform for Acceleration and Inclusion (TRAIN) was signed into law last December 19, 2017 with the goal of generating P90 billion for the government. Under the law, it is declared that the State should provide equitable relief to a greater number of taxpayers and their families in order to improve levels of disposable income and increase economic activity. In consonance with the Constitution, the passage of the TRAIN should enhance the progressivity of the tax system through rationalization of the Philippine internal revenue system, thereby promoting sustainable and inclusive economic growth;

WHEREAS, in Section 82 (F) of R.A. No. 10963, incremental revenues generated shall be appropriated to (a) not more than 70% to infrastructure projects and (b) not more than 30% to programs under the Sugarcane Industry Development Act of 2015 and to Social Mitigating measures such as the unconditional cash transfer, fuel vouchers, fare discounts, discounted NFA rice and skills training program for Minimum Wage Earners, unemployed, and the poorest 50% of the population;

WHEREAS, poor Filipinos would need financial assistance to mitigate the effects of the said fiscal reform. As a result, TRAIN has allocated funds for cash transfers to the poorest 10 million families. It will be distributed in the following

manner: P200 monthly in 2018, P300 monthly in 2019, and P300 monthly in 2019;

WHEREAS, under Section 87 of R.A. No. 10963, the provisions of the law shall take effect on January 1, 2018, following its complete publication in the Official Gazette or in at least one (1) newspaper of general circulation. However, according to the Department of Social Welfare and Development's press release,¹ the distribution of the unconditional cash transfer program to all 10 million beneficiaries shall be finished by June 2018;

WHEREAS, DSWD's initial plan was to facilitate the cash transfers to 1.8 million beneficiaries with cash cards by January 31, 2018. The remaining 2.6 million Pantawid Pamilya beneficiaries without cash cards will receive grants through partner conduits at a later date. These 2.6 million households will be selected from the Listahanan or the National Household Targeting System (NHTS-PR), which will go through validation. The validation process will last for 3 months, with the final list to be out by May. The transfers to the additional 5.6 million households are still to be discussed and no actual transfers have been released to date;

WHEREAS, the infrastructure for DSWD's Pantawid Pamilyang Pilipino Program will be used to facilitate the unconditional cash transfers under TRAIN. The cash transfers must be sufficient to offset the cost that the poorest of the poor will have to bear under TRAIN;

WHEREAS, the government must ensure that its policies for economic growth are inclusive, providing relief and benefits for poor Filipinos rather than imposing additional financial burdens on them. While it is true that the comprehensive tax reform package aims to promote a simpler, fairer and more efficient tax system, the failure of the government to implement an effective financial assistance program in time for the projected price increases due to the provisions on petroleum taxes and sweetened beverage tax will defeat the spirit and intent of the law;

RESOLVED, AS IT IS HEREBY RESOLVED, to direct the appropriate Senate Committees to conduct an assessment of the implementation of the unconditional cash transfer under the Tax Reform for Acceleration and Inclusion Law.

Adopted,



¹ DSWD's press release: DSWD to begin release of Unconditional Cash Transfer to 10 million households by end of January