

TUESDAY | JANUARY 2, 2018

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More perks eyed for tourism ecozones

By CATHERINE TALAVERA

The Tourism Infrastructure and Enterprise Zone Authority (TIEZA) is eyeing to extend or remove the sunset provision on the incentives for tourism enterprise zones (TEZs), an official of the agency said.

TIEZA officer-in-charge for the TEZ management sector Nino Ruperto Aquino told **The STAR** they are recommending the extension of the sunset provision for TEZs found in the Implementing Rules and Regulations (IRR) of RA 9593 or the Tourism Act of 2009.

The IRR included a sunset provision on the effective administration of tax incentives for TEZs for a period of 10 years or until 2019, which

created confusion among potential TEZ applicants.

"We are lobbying to the Senate and the House to extend the sunset provision for another 17 to 20 years or to delist the sunset provision from the law so that we can continue to designate, develop TEZs and have incentives for the developers," Aquino said.

TIEZA chief operating officer Pocholo Paragas earlier explained that despite the RA 9593 taking effect in 2009, the IRR was released seven years after, specifically in November 2016.

"BIR already came out with the explanation stating that they agreed that instead of the sunset clause ending 2019, all applicants can

apply until 2019. And if you're accredited within this period, you can get the full package of six years," Paragas said.

Under RA 9593, TEZ developers and tourism enterprises will be granted a six-year income tax holiday that may be extended for another six years, a five percent preferential tax on gross income in lieu of national taxes except for real property tax and fees of TIEZA, a net operating loss carry over scheme, import tax exemptions for capital goods and equipment needed for TIEZA-registered activities, and import tax exemptions for transport equipment and spare parts needed for TIEZA-registered activities.

They will also be exempted from value-added tax and excise tax goods imported by TIEZA-registered activities, tax credit equivalent to taxes paid on locally sourced goods, and tax deduction of up to 50 percent of cost of environmental protection and cultural heritage preservation activities as well as of sustainable livelihood programs of the registered tourism enterprises.

At present, Aquino said the agency has a total of four flagship TEZs and six private TEZs.

"I think we have 13 or 14 TEZ applications in the pipeline," Aquino said.

Last November, TIEZA announced it approved a number of tourism infrastructure projects.

* tourism