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# Consumer group asks SC to strike down TRAIN law

By RICHMOND MERCURIO

Consumer advocacy group Laban Konyumer Inc. (LKI) wants the government to stop the Tax Reform for Acceleration and Inclusion (TRAIN) law from running at full speed, citing its negative impact on millions of poor Filipinos.

LKI yesterday filed before the Supreme Court (SC) a petition for certiorari against the TRAIN law, with application for temporary restraining order, writ of preliminary injunction, and/or status quo ante order.

The LKI, led by former trade undersecretary for consumer protection group Vic Dimagiba, has expressed its opposition to the "unwarranted increases" in excise taxes on coal, diesel, liquefied petroleum gas (LPG) and kero-

sene, which it said form part of basic commodities.

In the petition, Dimagiba said these commodities are necessary for subsistence since all Filipinos have no choice but to consume these regardless of their costs.

"Thus, the provisions in question should be struck down as they impose a heavy burden on Filipinos from low-income and poor families, who make up the majority of our population," said Dimagiba, LKI president.

Dimagiba pointed out that the LKI took the position of consumers because "if not restrained now and later nullified, the provisions of the TRAIN law betray the very purpose for its enactment which is to provide, as much as possible, an equitable relief to a greater number of tax-

payers and their families in order to improve the levels of disposable income since a tax on staples is a tax on the right of individuals to live."

"The TRAIN law with its provisions authorizing the increase in excise taxes on kerosene, diesel, coal and LPG will only equalize any possible gains of the rationalization of personal income taxes, or worse, further beset those belonging to the poor and low-income families whose resources are extremely finite," he added.

Dimagiba also challenged the inequity of the revised personal income taxation scheme as benefiting only the higher income bracket of taxpayers at the expense of those earning P250,000 and below.

LKI pointed out that it would not be the corporations or private interests that will

\* CONSUMERS

\* TRAIN (TAX REFORM FOR ACCELERATION AND INCLUSION)





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actually bear the new taxes as these entities will only pass on the additional charges to the prices of their products and services. The increase in excise taxes would hit low-income and poor families the hardest.

LKI argued that the TRAIN law violates the Constitution, which prescribes that taxation must be equitable and progressive, as well as its provisions on the due process and equal protection of the law, the rules on the origin of revenue laws, and the rules on quorum.

LKI urged the SC to exercise its constitutionally mandated duty to decide a justiciable question on "whether the TRAIN law has been properly enacted and whether the increase in excise taxes on coal, diesel, kerosene and LPG are unfair, confiscatory, and arbitrary, considering the stand-

point of low-income families and those who live below the poverty line, whose peso weighs more heavily than any other members of the society."

#### **DSWD lacks manpower for TRAIN subsidy**

The manpower lack in the Department of Social Welfare and Development (DSWD) is also a problem in the implementation of a cash subsidy program for poor families that will be affected by the TRAIN law.

Senate President Pro Tempore Ralph Recto said yesterday the lack of manpower in DSWD must be fixed first before the agency can implement the cash subsidy program for poor families to help them cope with inflationary effects of TRAIN.

At least 5.5 million families will get P200 every month from the government to help them weather the impact of new taxes on the cost of living.

The families will join 4.5 million other households presently enrolled in the government's conditional cash transfer (CCT) program whose monthly stipends will also be increased by P200.

This will bring to 10 million the number of families who will be receiving cash so they could cope with TRAIN-triggered hikes in the prices of goods.

Recto pointed out that while the 2018 national budget lodges the P24.5 billion to fund the TRAIN rebates with the Land Bank of the Philippines, "we all know that it is just being parked here."

- With Paolo Romero