

TRAIN Package 1B targeted for Congress OK by June

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The Department of Finance (DOF) is targeting to secure Congress' approval for Package 1B of the Comprehensive Tax Reform Program (CTRP) before it goes on another recess in June.

In an interview, Finance Undersecretary Karl Kendrick Chua said the finance department is still optimistic Package 1B, which contains additional measures to the Tax Reform for Acceleration and Inclusion (TRAIN) Act, would be enacted within the year.

Chua said the package was originally targeted to be passed before Congress went on a break in March.

He said discussions on the bill would hopefully continue when Congress resumes session in May, and conclude before they go on another recess in June.

“The original target (for the bill to) be passed before recess did not happen, so they will resume in May. They have three weeks when they come back in May before they (will) have recess again on June 1. So hopefully in the next session before June 1, they can file,” Chua said.

Package 1B of the CTRP involves a proposed tax amnesty program, adjustments in the Motor Vehicle Users Charge and amendments in the Bank Secrecy Law.

These provisions were originally proposed under Republic Act 10963 or the TRAIN Law. However, the final version of the law did not include these measures.

According to Chua, the proposal on the Motor Vehicle Users Charge has three components – the increase in the rate, and abolition of the Road Board and the utilization of the road fund.

He said the measure is already in the technical working group of the House of Representatives, while the Senate has already approved the abolition of the Road Board and the distribution of MVUC collections.

Meanwhile, Chua said the proposed tax amnesty program is still in the committee level in both houses of Congress.

If passed, DOF estimates showed Package 1B would increase the government's revenue by P38.9 billion, thus resulting in incremental revenue of P128.8 billion when combined with Package 1A.

Chua said there is no need yet for the Development Budget Coordination Committee to revise its revenue assumptions despite the delay in Package 1B.