



WASTEFUL TAX INCENTIVES

Presented by KIM S. JACINTO-HENARES

Commissioner, Bureau of Internal Revenue PHILIPPINES

UN Workshop on Tax Incentives and Base Protection 23 April 2015 New York, U.S.A.

Outline of Presentation



- 1. Philippine Fiscal Incentives (FI) System
- 2. Issues Facing the FI System
- 3. Proposed Reforms
- 4. Pending Legislative Measures

I. Philippine Fiscal Incentives System



FI System is governed by multiple agencies and multiple laws

Around **211 special laws** that provide tax incentives

Around **14 Investment Promotion Agencies** (IPAs)

Differing tax regimes per IPA

I. Philippine Fiscal Incentives System



Income tax holiday (ITH)

Five percent (5%) tax on gross income earned (GIE)

Reduced income tax rates

Exemption from taxes and duties on imported capital equipment, spare parts, materials and supplies

VAT zero-rating of sales of goods and services by local suppliers

Research and development incentives



Li50[o**9**05**5**80**5**0050re f* 0.843751[-fG3915l2o50 5068

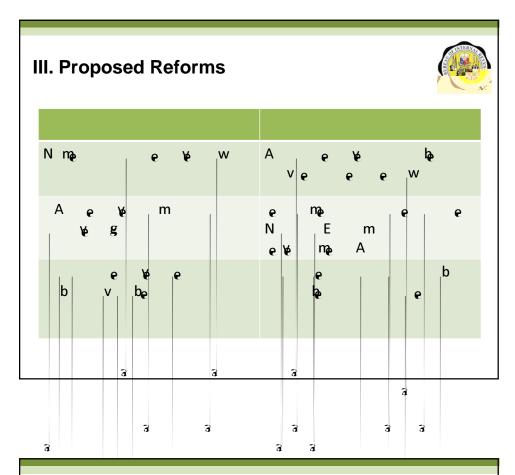


Data on IPA-registered enterprises/investors and



Benefits investors with early and hig-2(w-4(n)-4(d)7h)-4((l)2(of)-12(i)2(t)-2(s)28)500

B41a65555-4s



IV. Pending Legislative Measures



Tax Incentives Management and Transparency Bill

Fosters transparency and accountability in the grant of tax incentives.

Institutionalizes a system of monitoring and reporting tax incentives as governmental expenditure.

