



Department of Finance Tax Agenda

Tax Management Association of the Philippines
International Tax Summit 2024

Manila
29 August 2024

Marcos Administration's 8-point socioeconomic agenda in the near and medium terms.

ROBUST ECONOMY, INCLUSIVE, AND RESILIENT SOCIETY

PROTECT THE PURCHASING POWER OF FAMILIES



Ensure Food Security



Reduce Transport and Logistic Cost



Reduce Energy Cost

REDUCE VULNERABILITY AND MITIGATE SCARRING FROM THE COVID-19 PANDEMIC



Tackle Health



Strengthen Social Protection



Address Learning Losses

ENSURE SOUND MACROECONOMIC FUNDAMENTALS



Improve Bureaucratic Efficiency



Ensure Sound Fiscal Management

CREATE MORE JOBS, QUALITY JOBS, GREEN JOBS



Promote Investments



Expand Digital Infrastructure



Improve Infrastructure



Encourage R&D and Innovation



Ensure Energy Security



Pursue a Green and Blue Economy



Increase Employability



Establish Livable and Sustainable Communities

NEAR-TERM AGENDA

MEDIUM-TERM AGENDA

We are on track in achieving our Medium-Term Fiscal Framework Targets.



Gradually bring down
NG debt-to-GDP ratio
to less than 60
percent

As of S1 2024:
60.9 % from 61.0% of
S1 2023

2024 FY target:
60.6%



Reduce deficit-to-GDP
ratio
to a manageable
level

As of S1 2024:
4.87% from 4.80% of
S1 2023

2024 FY target:
5.6%



Maintain high
investment in
infrastructure at 5 to
6 percent of GDP
annually

As of S1 2024:
5.72% from 5.29% of
S1 2023

2024 FY target:
5.6%

The economic team commits to a medium-term fiscal program that is more responsive to global and domestic developments, while ensuring a strategic and growth-enhancing fiscal consolidation.

Particulars (in PHP billion)	2023 (Actual)	2024 (Emerging)	2025 (Program)	2026 (Program)	2027 (Program)	2028 (Program)
Revenues	3,824.1	4,269.9	4,644.4	5,063.2	5,627.5	6,249.6
<i>Growth rate</i>		11.66	8.77	9.02	11.14	11.05
<i>as percent of GDP</i>	15.73	16.12	16.15	16.21	16.59	16.96
Tax Revenues	3,429.3	3,820.3	4,332.6	4,838.7	5,385.7	5,991.7
<i>Growth rate</i>		11.40	13.41	11.68	11.30	11.25
<i>as percent of GDP</i>	14.10	14.42	15.07	15.49	15.87	16.26
Non-tax Revenues	394.8	449.6	311.8	224.5	241.9	257.9
<i>Growth rate</i>		13.88	-30.65	-28.00	7.74	6.62
<i>as percent of GDP</i>	1.62	1.70	1.08	0.72	0.71	0.70
Disbursements	5,336.2	5,754.3	6,182.1	6,540.1	7,027.0	7,621.5
<i>Growth rate</i>		7.83	7.44	5.79	7.45	8.46
<i>as percent of GDP</i>	21.94	21.72	21.50	20.94	20.71	20.68
Deficit	(1,512.1)	(1,484.3)	(1,537.7)	(1,476.8)	(1,399.5)	(1,371.9)
<i>Growth rate</i>		-1.84	3.60	-3.96	-5.24	-1.97
<i>as percent of GDP</i>	-6.22	-5.60	-5.35	-4.73	-4.13	-3.72

Note: Totals may not add-up due to rounding.

Source: Development Budget Coordination Committee (DBCC)

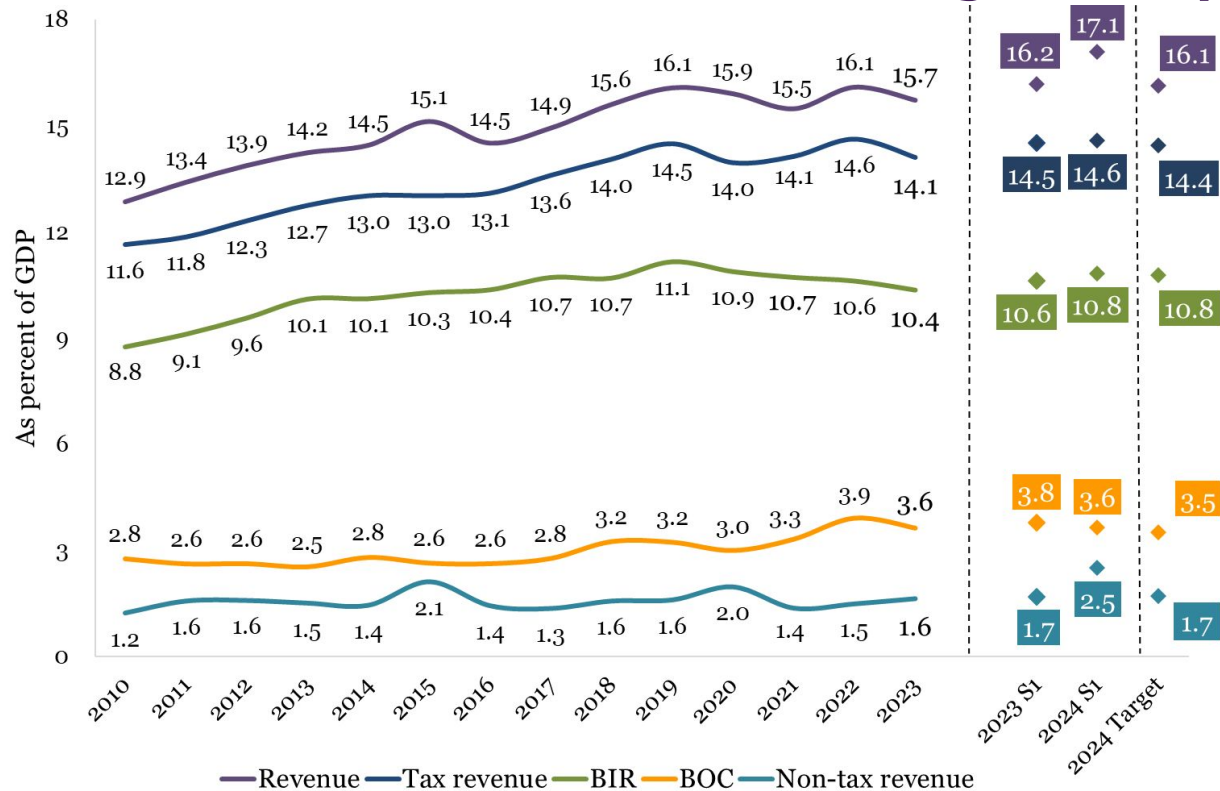
**We are on track to meet the DBCC target this year.
For January to June 2024, we exceeded the target by 3.5 percent.**

Particulars (in PHP billion)	January to June 2024 ^a						
	Actual ^b	BESF	Emerging (188th DBCC)	Difference		Overperformance/ underperformance	
				BESF	Emerging	BESF	Emerging
Revenues	2,149.5	2,093.6	2,077.0	56.0	72.5	2.67%	3.49%
Tax revenues	1,835.3	1,985.3	1,861.9	(150.0)	(26.6)	-7.55%	-1.43%
BIR	1,362.0	1,500.4	1,403.0	(138.4)	(41.0)	-9.22%	-2.92%
BOC	455.5	471.1	442.6	(15.6)	12.9	-3.31%	2.91%
Other offices	17.8	13.7	16.3	4.0	1.5	29.42%	8.95%
Non-tax revenues	314.2^b	108.3	215.1	205.9	99.2	190.13%	46.10%
BTr	163.9	42.0	129.2	121.9	34.8	290.09%	26.91%
Other non-tax	150.3	66.3	85.9	84.0	64.4	126.78%	74.94%

Notes: a) Totals may not add up due to rounding. b) Gross of fund balances from PHIC and PDIC.

Sources: BTr, DOF-FPMG, and DBCC

Revenue effort is expected to reach 16.1 percent this year from 15.7 percent in 2023, with tax effort increasing to 14.4 percent.



Note: Revenue and tax efforts are computed using tax revenues and GDP at current 2018 prices.

Sources: BTr and Philippine Statistics Authority (PSA)



We will continue to work with Congress in pushing for key reforms crucial to accelerating economic development.

Measures identified in the LEDAC



VAT on Digital Service Providers



Rationalization of Mining Fiscal Regime



Excise Tax on Single-use Plastics



CREATE MORE

Additional measures in support of the MTF



Package 4 of the Comprehensive Tax Reform Program



Motor Vehicle Users' Charge

Other priority measures



Amendments to the LBP Charter

Amendments to the DBP Charter



We will continue to work with Congress for the enactment of six critical and refined tax measures that are expected to generate PHP 166.1 billion in total additional revenues from 2025 to 2028.

Particulars (PHP million) ^a	2025	2026	2027	2028	Total
	Projections				
Package 4 (with excise tax on pickups)	6,093.7	4,612.8	2,911.1	(5,445.2)	8,172.5
VAT on digital service providers	10,866.6	21,345.6	22,811.4	24,483.2	79,506.8
Excise tax on single-use plastics	5,306.4	7,911.8	8,426.1	9,279.7	30,924.1
Mining fiscal regime	5,813.5	6,104.2	6,409.4	6,729.9	25,057.0
Motor vehicles road user's tax	-	8,234.2	8,903.8	9,589.2	26,727.1
CREATE MORE ^a	298.5	(469.9)	(1,327.3)	(2,747.1)	(4,245.9)
Total	28,379.7	47,738.8	48,134.5	41,889.7	166,141.7
<i>Percent of GDP</i> ^{b,c}	0.10%	0.15%	0.14%	0.11%	

Notes: a) Impact of corporate income tax. b) Totals may not add-up due to rounding. c) GDP projections based on the July 14, 2024

DBCC-approved Ad ref.

Sources: DOF-FPMG, NTRC, and DBCC.

Instituting BRAVE Strategies to combat illicit trade and smuggling

B Border Security Enhancements

R Revenue Collection and Revenue-Base Protection

A Adaptive Regulations, Compliance Monitoring

V Vigilant Enforcement; Vigorous Intel Gathering

E Effective Engagements

The BIR and BOC will continue to implement innovative tax administrative reforms to further improve tax collection efficiency particularly, to capture digital transactions.



1. Run After Fake Transactions (RAFT)
2. Run After Tax Evaders (RATE)
3. Tax Compliance Verification Drive
4. Oplan Kandado
5. Nationwide Enforcement Operations on Illicit Trade of Cigarettes, Vape, and other Excisable Articles
6. Implementation of RR No. 16-2023
7. DX Program
 - a. Digitalization of BIR services
 - b. Streamlining of tax processes
 - c. Reduction of documentary requirements



1. Anti-smuggling and seizure activities
2. Digitalization
3. Customs Modernization Project
4. Fuel Marking
5. Enhanced Tax Exemption Lite
6. Deployment of Personnel 24/7



Ramping-up digitalization to enhance revenue administration by the BIR and the BOC is a key priority of the DOF.



**BIR Enterprise
Architecture and
E-Invoicing System**



**National Single Window
– Integrated Trade
Facilitation Platform**



International tax initiatives, not only boost revenues but ensure international standards compliance

Expansion of the
DTA network

Concurrence to
the MAAC

Passing the AEOI
Domestic
Legislation



Exploring Pillar 2
Options

Compliance with
BEPS Minimum
Standards

UN Framework
Convention on
International Tax
Cooperation



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