

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City, Metro Manila



THIRTEENTH CONGRESS  
First Regular Session

House Bill No. 2722

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Introduced by **Honorable PEDRO M. PANCHO**

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### **EXPLANATORY NOTE**

One of the serious problems of our government is the yearly increase in the budget deficit. The taxpayers are surprised why after every campaign period the tax collection is insufficient to cover the expenditures of every department. The business sector lost its interest and confides to pay its obligations for the reason that nothing has been done by, the concerned agencies. There are no visible improvements.

The government has to borrow from foreign financing institutions to cope with the debt balance. Radio, newspapers and television announced the effective method of tax collection as the service rendered is very poor. There is no cash for economic development and to finish the infrastructure projects on the large time. The delay in the completion disturbs the business atmosphere that caused the multi-

national companies to transfer their business to some other countries because of production is cheaper and the product can compete in global-market. Our product lost its international market including loss in revenue and employment. The hazardous effect remains unnoticed by our technocrats. The continuous application of the system over a long period of time is a heavy burden carried in the shoulders of the consumers and not by the producers.

The purpose of international loans is to help the economically weak countries buy imported goods to make them even more weak. This idea was not able to check-up the non-profitable cooperation that killed our industries. Thousands of small scale entrepreneurs closed their shops for lack of power to enable our local goods to compete. Instead, they apply for importation of items that can be manufactured in the Philippines to generate income and employment.

The risk in dollar borrowing is not the interest rate on the principal but the exorbitant appreciation that will be shouldered by our government.

The people suffered from this mechanisms that runs in the management without control thereby destroying the happiness and tranquility of the community. The destruction remained unrepaired for many years thereby causing the billions of pesos indebtedness of the Filipinos.

The cost for every citizen is P 60,000.00 per head.

The yearly budget cannot reduce the ever increasing deficit and the government will fail to pay the interest and the principal of our foreign loans.

The taxpayers are now demanding that in paying their taxes, 30% of the amount paid be automatically deducted and channeled directly to our foreign debts. This will prevent the ballooning of our foreign obligation. Records shall also be kept showing the list of Filipinos who paid their share for the foreign debts. The names of the payer shall also be indicated as benefactor to remove five (5) beneficiaries from the list of indebtedness for his payment worth P1,000,000.00.

In this manner, the number of Filipinos who are in the list of those who shared in foreign debts payment should be published.

It is our hope that with this scheme our foreign debt will become dramatically lower as the money will go directly to the beneficiary lender.

Accordingly, approval of the attached bill is requested.

  
**REDRO M. PANCHO**  
Congressman  
2<sup>nd</sup> District of Bulacan

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***"AN ACT AUTHORIZING THE AUTOMATIC DEDUCTION OF 30% FROM EVERY TAXPAYER'S PAYMENT FOR FOREIGN DEBT SERVICING AND FOR OTHER PURPOSES."***

SECTION. 1. The automatic deduction of 30% from every taxpayer's payment for foreign debt servicing is hereby authorized.

SEC. 2. The Department of Finance and the Bureau of Internal Revenue shall formulate, promulgate and implement the necessary guidelines, rules and regulations for the appropriate implementation of this Act.

SEC. 3. This Act shall take effect upon its approval.

APPROVED,