

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 3113

Introduced by Honorable Giorgidi B. Aggabao

EXPLANATORY NOTE

Under the obtaining set-up, exclusive jurisdiction is vested with the Department of Justice to conduct preliminary investigation over all criminal cases arising from violations of the National Internal Revenue Code and other laws administered by the Bureau of Internal Revenue.

This bill seeks to alter and modify this set-up, by granting exclusive authority to the BIR first, to investigate cases involving violations of the NIRC and related laws; second, to conduct preliminary investigations; third, to file the necessary complaint or information in court where the evidence warrants; and finally, to prosecute them.

Tax laws are indubitably difficult and complex, requiring specialized knowledge, skills, and experience. Without in any way diminishing the competence of DOJ prosecutors, devolving the conduct of preliminary investigation with the BIR and their prosecution of tax cases before the courts would ensure that cases for the government are handled by those eminently qualified.

Moreover, the Department of Justice is laboring under obvious strain from all sort of cases referred to it for preliminary investigations. Shifting then the burden and responsibility of conducting preliminary investigations for tax cases away from the Department of Justice will definitely expedite the resolution of tax cases. This way, the skulduggery and underhand dealings attendant in the interminable wait for resolutions would be eliminated.

For the foregoing reasons, the passage of this bill is earnestly requested.


GIORGIDI B. AGGABAO

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Be it enacted by the Senate and the House of Representatives in Congress assembled:

AN ACT
AUTHORIZING THE BUREAU OF INTERNAL REVENUE TO CONDUCT
PRELIMINARY INVESTIGATIONS, FILE COMPLAINTS AND
INFORMATIONS AND PROSECUTE TAX CASES, AMENDING SECTION
220, CHAPTER II,
TITLE VIII OF REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS
THE "TAX REFORM ACT OF 1997"

Section 1. Section 220, Chapter II, Title VIII of Republic Act No. 8424, otherwise known as the "Tax Reform Act of 1997", is hereby amended to read as follows:

"Sec 220. *Form (and Mode) of Proceeding in Actions Arising under this Code.* – Civil and criminal actions and proceedings instituted in behalf of the Government under the authority of this Code or other law enforced by the Bureau of Internal Revenue shall be brought in the name of the Government of the Philippines and shall be conducted by legal officers of the Bureau of Internal Revenue. [but no civil or criminal action for the recovery of taxes or the enforcement of any fine, penalty or forfeiture under this Code shall be filed in court without the approval of the Commissioner]. **IN CRIMINAL OFFENSES ARISING FROM VIOLATIONS OF THE NIRC AND OTHER LAWS ADMINISTERED BY THE BIR, THE BUREAU SHALL HAVE EXCLUSIVE AUTHORITY TO CONDUCT PRELIMINARY INVESTIGATIONS, FILE COMPLAINTS AND INFORMATIONS WITH THE APPROPRIATE COURTS AND PROSECUTE THEM; PROVIDED THAT NO COMPLAINT OR INFORMATION MAY BE FILED OR DISMISSED BY LEGAL OFFICERS OF THE BUREAU WITHOUT**

THE PRIOR WRITTEN AUTHORITY OR APPROVAL OF THE COMMISSIONER.

IF UPON PETITION BY A PROPER PARTY UNDER SUCH RULES AS THE DEPARTMENT OF FINANCE MAY PRESCRIBE, THE SECRETARY OF FINANCE MAY REVERSE OR MODIFY THE RESOLUTION OF THE COMMISSIONER.”

Section 2. Repealing Clause. – All laws, orders, issuances, circulars, rules and regulations or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 3. Effectivity. – This Act shall take effect after fifteen (15) days following its publication in at least two (2) newspapers of general circulation.

Approved.