

of those who remain, however, either perform below their potential or worse, resort to corrupt activities.

As a measure of commensurate reward, this bill seeks to exempt the BIR from the coverage of Republic Act No. 6758, otherwise known as the "Compensation and Position Classification Act of 1989" or more popularly known as the Salary Standardization Law. With its passage, it is expected that the salaries of BIR employees and officials will be at par with industry standards and it is hoped that the BIR will be able to fill the glaring gap in its workforce and attract the best and the brightest in the field of taxation. More importantly, with a competitive compensation package, incidences of corruption at the BIR will be minimized if not eradicated and that the public can expect a BIR that can further improve its collection performance, and overall, a more efficient tax administration.

In view of the foregoing, immediate passage of this bill is earnestly sought.



RALPH G. RECTO



SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

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RECEIVED BY: 

SENATE

S. No. 1316

Introduced by Senator Ralph G. Recto

AN ACT
EXEMPTING THE BUREAU OF INTERNAL REVENUE FROM THE COVERAGE OF
REPUBLIC ACT NO. 6758, OTHERWISE KNOWN AS THE COMPENSATION AND
POSITION CLASSIFICATION ACT OF 1989, AS AMENDED, AND FOR OTHER
PURPOSES

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

1 **Section 1.** *Declaration of Policy.* – It is the policy of the State to reform tax
2 administration and ensure efficient and effective collection of taxes by employing and
3 maintaining competent and professional revenue officials and personnel to collect taxes and
4 enforce internal revenue tax laws. Towards this end, the State shall exempt the Bureau of
5 Internal Revenue (BIR) and its employees from the coverage of Republic Act No. 6758,
6 otherwise known as the Compensation and Position Classification Act of 1989, as amended.

7 **Section 2.** *Exemption from the Compensation and Position Classification Act of 1989 or*
8 *Salary Standardization.* The BIR and its employees shall be exempt from the coverage of the
9 Compensation and Position Classification Act of 1989, as amended, or Salary Standardization
10 Law.

11 The BIR is hereby authorized to formulate its own Compensation and Position
12 Classification System based on the following principles:

- 13 (a) BIR personnel shall be paid just and equitable wages in accordance with the
14 principle of equal pay for work of equal value;

- 1 (b) Basic compensation for BIR personnel shall generally be comparable with those
2 in the private sector doing comparable work and must be in accordance with
3 prevailing laws on minimum wage;
- 4 (c) The BIR Compensation and Position Classification System shall be determined
5 through a comprehensive analysis and audit of actual duties and responsibilities of
6 the Bureau's officials and employees;
- 7 (d) The total compensation provided for government personnel must be maintained at
8 a reasonable level in proportion to the national budget; and
- 9 (e) A review of government compensation rates, taking into account the performance
10 of the BIR, its overall contribution to the national economy, and the possible
11 erosion in purchasing power due to inflation and other factors, shall be conducted
12 periodically;

13 **Section 3. *Incentives to BIR Officials and Personnel.*** – The BIR, subject to the approval
14 of the President, may provide for other incentives not provided under existing laws and Civil
15 Service laws.

16 **Section 4. *Approval of the President.*** – The BIR Compensation and Position
17 Classification System implemented pursuant to this Act shall be approved by the President, and
18 shall be subject to periodic review by the BIR, in consultation with the Department of Budget
19 and Management (DBM), Department of Finance (DOF) and the Civil Service Commission
20 (CSC), not more than once every three (3) years, without prejudice to yearly merit reviews or
21 increases based on performance.

22 **Section 5. *Non-diminution of Salaries.*** – The BIR Compensation and Position
23 Classification System to be developed and recommended by the BIR, as approved by the
24 President, shall apply to all positions, on full or part-time basis, now existing or hereafter
25 created: *Provided, That,* upon the implementation of the approved BIR Compensation and
26 Position Classification System there shall be no diminution in the authorized salaries of
27 incumbent employees of the BIR as of December 31, 2016.

28 **Section 6. *Appropriation Clause.*** – The amount necessary to implement this Act shall be
29 included in the General Appropriations Act of the year following its effectivity.

1 **Section 7. Separability Clause.** – If any of the sections or provisions of this Act is held
2 invalid or unconstitutional, all other provisions not affected thereby shall remain valid and
3 effective.

4 **Section 8. Repealing Clause.** – All laws, decrees, issuances, rules and regulations
5 inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

6 **Section 9. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its
7 complete publication either in the Official Gazette, or in at least two (2) newspapers of general
8 circulation.

Approved,