

I. NATIONAL TAX RESEARCH CENTER

STRATEGIC OBJECTIVES

MANDATE : The National Tax Research Center is mandated to conduct continuing research in taxation "to restructure the tax system and raise the level of tax consciousness among our people to achieve a faster rate of economic growth and to bring about a more equitable distribution of wealth and income".

VISION : Be recognized as the premier tax research institution attached to the Department of Finance (DOF); Be a more motivated and committed team of professionals that will continue to provide high quality research and technical assistance in taxation and other fiscal related matters to the DOF and other branches of the executive, legislature, local government units, the private sector and international institutions; and Be using state-of-the-art technology for information systems and processes.

MISSION : We are the government institution dedicated to promoting a tax system that will ensure a fair distribution of the tax burden among the Filipino taxpayers.
We are committed to recommend necessary improvements in the tax system by conducting quality research on taxation and to provide responsive staff support to fiscal policy makers.
We are also committed to provide opportunities for professional growth and to promote the well-being of our personnel.

KEY RESULT AREAS : Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME : Fiscal Strength

ORGANIZATIONAL OUTCOME : 1. Philippine Tax System Improved

SECTION 1 : EXPENDITURE PROGRAM
(in pesos)

No./ Code	GASS / STO / OPERATIONS / PROJECTS	2014 Actual	2015 Current	2016 Proposed
000001000000000	General Administration and Support	22,058,000	18,120,000	20,460,000
	PS	16,961,000	12,223,000	12,405,000
	MOOE	5,097,000	5,897,000	5,980,000
	CO			2,075,000
000003000000000	Operations	26,801,000	28,528,000	29,323,000
	PS	20,218,000	19,660,000	19,765,000
	MOOE	6,583,000	7,568,000	8,258,000
	CO		1,300,000	1,300,000
TOTAL AGENCY BUDGET		48,859,000	46,648,000	49,783,000
	PS	37,179,000	31,883,000	32,170,000
	MOOE	11,680,000	13,465,000	14,238,000
	CO		1,300,000	3,375,000

STAFFING SUMMARY

	2014	2015	2016
TOTAL STAFFING			
Total Number of Authorized Positions	152	152	152
Total Number of Filled Positions	77	77	77

PROPOSED 2016

OPERATIONS BY MFO	PROPOSED 2016			
	PS	MOOE	CO	TOTAL
MFO 1: TECHNICAL ADVISORY SERVICES	18,054,000	8,258,000	1,300,000	27,612,000

SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	29,423,000	14,238,000	3,375,000	47,036,000
National Capital Region (NCR)	29,423,000	14,238,000	3,375,000	47,036,000
TOTAL AGENCY BUDGET	29,423,000	14,238,000	3,375,000	47,036,000

SECTION 3 : SPECIAL PROVISION(S)

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

SECTION 4 : PERFORMANCE INFORMATION

KEY STRATEGIES :

1. Comprehensive review of the tax system
2. Conduct of studies/projects aimed at rationalizing the tax structure and improving tax policy and administration which include:
 - 2.1 Improvements in direct taxation
 - 2.2 Improvements in indirect taxation
 - 2.3 Rationalization of fiscal incentives
 - 2.4 More effective tax administration
 - 2.5 Increased capacities of local governments and improvements in local finance
 - 2.6 Conduct of baseline studies
3. Monitoring of compliance of national government agencies (NGAs) to Administrative Order (AO) No. 31 re: revision of fees and charges
4. Monitoring of tax collection performance of the BIR regional offices and BOC district ports
5. Involvement in Land Administration and Management Project Phase 2-Property Valuation and Taxation Component
6. Consultancy to the Executive and Technical Committee on Real Property Valuation pursuant to Department Order No. 6-2010 and BIR Regional Revenue Special Order No. 61-2010
7. Technical assistance to Congress and other government agencies

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)

Philippine Tax System Improved

Findings and recommendations considered in tax policy reforms

Baseline

No baseline because the target is dependent on the Legislative Policy Agenda of the DOF/Administration

2016 Targets

5 Tax studies supportive of tax policy reforms

Monitoring of Compliance to A0 31 re Revision of Fees and Charges Improved	P30.54 Billion (2013 Actual Collection)	P6.65 Billion projected additional collection from revised fees and charges [P30.54 Billion + (20% x P30.54 Billion) = P36.65 Billion]
Applications for Tax Subsidies of GOCCs Evaluated	3 GOCCs	4 GOCCs will apply for tax subsidy [(3+33.3%(3)=4)
		P8 Billion Estimated Tax Subsidy Granted
Tax Information Dissemination and Taxpayer Awareness Enhanced	N/A	1000 Recipients of NTRC Publications

<u>MFO / PIs</u>	<u>2016 Targets</u>
MFO 1: TECHNICAL ADVISORY SERVICES	
Number of evaluations, studies, tax proposals / tax assessments	45,37,16 respectively
Percentage of recommendations adopted	90%
Percentage of reviews, evaluations and studies delivered on or before the requested date	100%

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
New General Appropriations	43,776	43,901	47,036
General Fund		43,901	47,036
R.A. No. 10633	43,776		
Automatic Appropriations	2,939	2,747	2,747
Retirement and Life Insurance Premiums	2,939	2,747	2,747
Continuing Appropriations	198		
Unobligated Releases for MOOE			
R.A. No. 10352	198		
Budgetary Adjustment(s)	2,439		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	1,242		
Pension and Gratuity Fund	1,197		
Total Available Appropriations	49,352	46,648	49,783
Unused Appropriations	(493)		
Unobligated Allotment	(493)		
TOTAL OBLIGATIONS	48,859	46,648	49,783
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Proposed New Appropriations Language

For general administration and support, and operations, as indicated hereunder.....P 47,036,000
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New Appropriations, by Programs/Activities/Projects

	Current Operating Expenditures			
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS				
0000010000000000 General Administration and Support	11,369,000	5,980,000	2,075,000	19,424,000
1030010001000000 General management and supervision	P 11,369,000	P 5,980,000	P 2,075,000	P 19,424,000
Sub-total, General Administration and Support	11,369,000	5,980,000	2,075,000	19,424,000
0000030000000000 Operations	18,054,000	8,258,000	1,300,000	27,612,000
0000030100000000 MFO 1: TECHNICAL ADVISORY SERVICES	18,054,000	8,258,000	1,300,000	27,612,000
1050030101000000 Tax System and Tax Policy Structure Studies and Surveys	18,054,000	8,131,000	1,300,000	27,485,000
1050030102000000 Evaluation of Tax Subsidy Requests from Government-Owned and Controlled Corporations (GOCCs)		127,000		127,000
Sub-total, Operations	18,054,000	8,258,000	1,300,000	27,612,000
TOTAL NEW APPROPRIATIONS	P 29,423,000	P 14,238,000	P 3,375,000	P 47,036,000

Obligations, by Object of Expenditures

CYs 2014-2016
(In Thousand Pesos)

	2014	2015	2016
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	24,821	22,887	22,887
Total Permanent Positions	24,821	22,887	22,887
Other Compensation Common to All			
Personnel Economic Relief Allowance	1,840	1,848	1,848
Representation Allowance	558	540	540
Transportation Allowance	337	540	540
Clothing and Uniform Allowance	390	385	385
Productivity Incentive Allowance	156	154	
Year End Bonus	1,962	1,907	1,907
Cash Gift	396	385	385
Step Increment	18	57	117
Collective Negotiation Agreement	1,072		
Productivity Enhancement Incentive	390		385
Performance Based Bonus	852		
Total Other Compensation Common to All	7,971	5,816	6,107
Other Compensation for Specific Groups			
Magna Carta for Public Social Workers	24	25	25
Total Other Compensation for Specific Groups	24	25	25

Other Benefits			
Retirement and Life Insurance Premiums	2,758	2,747	2,747
PAG-IBIG Contributions	94	93	92
PhilHealth Contributions	222	223	220
Employees Compensation Insurance Premiums	93	92	92
Terminal Leave	1,196		
Total Other Benefits	<u>4,363</u>	<u>3,155</u>	<u>3,151</u>
TOTAL PERSONNEL SERVICES	<u>37,179</u>	<u>31,883</u>	<u>32,170</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	391	470	470
Training and Scholarship Expenses	739	300	863
Supplies and Materials Expenses	999	1,800	1,903
Utility Expenses	2,523	2,650	2,757
Communication Expenses	377	800	800
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	115	110	110
Professional Services	1,028	300	300
General Services	417	450	450
Repairs and Maintenance	184	687	687
Taxes, Insurance Premiums and Other Fees	80	80	80
Other Maintenance and Operating Expenses			
Advertising Expenses		10	10
Printing and Publication Expenses	162	280	280
Representation Expenses	27	88	88
Rent/Lease Expenses	4,595	5,380	5,380
Membership Dues and Contributions to Organizations	15	20	20
Subscription Expenses	28	40	40
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>11,680</u>	<u>13,465</u>	<u>14,238</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>48,859</u>	<u>45,348</u>	<u>46,408</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Machinery and Equipment Outlay			2,055
Transportation Equipment Outlay		1,300	1,300
Furniture, Fixtures and Books Outlay			20
TOTAL CAPITAL OUTLAYS	<u></u>	<u>1,300</u>	<u>3,375</u>
GRAND TOTAL	<u>48,859</u>	<u>46,648</u>	<u>49,783</u>