

OPINION & FEATURES

A tax on learning

READING broadens horizons, regardless of the subject. But for the Bureau of Customs, only books used in schools can be classified as “educational”—a category that exempts an imported book from taxes and duties. The BOC has since revised its rules, slapping taxes on the importation of many international bestsellers and other books that the bureau believes do not fall under the categories of “educational, scientific or cultural.”

The BOC’s move, endorsed by Finance Undersecretary Espele Sales, is based on a review of Republic Act 8047 or the Book Publishing Industry Development Act of 1995. Customs and finance officials said RA 8047 exempted from taxes and duties “only books or raw materials to be used in book publishing.” Critics pointed out that slapping the taxes and import duties violated the 1950 Florence Agreement on the Importation of Educational, Scientific and Cultural Materials, to which the Philippines was a signatory in 1952. The treaty provides for the duty-free importation of books to guarantee the free flow of “educational, scientific and cultural materials” among countries. But BOC and finance officials reportedly believe that novels and other international bestsellers do not fall under any of these categories.

The new rule has reportedly led to a halt in book importations in recent months, and the absence of new book titles at popular chains. A number of those books are geared toward young readers. With the Internet, television and Wii competing for children’s attention these days, parents count themselves lucky when their children bother to read books. Many youths who enjoy light reading such as the *Harry Potter* series and the *Twilight* vampire chronicles eventually go on to heavier subjects including non-fiction and classic literature. Book enjoyment is carried on into adulthood. Does education stop after college graduation?

Taxes and import duties are passed on to consumers by book dealers, and higher prices could discourage book reading among Filipinos with a limited budget. Duty-free importation has allowed Filipinos to enjoy books at prices that are often lower than those in the sources of origin of the imported items. The government should review whether it wants to deprive Filipinos of this source of learning and enjoyment. (*Philstar.com*)



Photo Courtesy of Philstar.com

Two less thieves

THE good news is that there seems to be a growing consciousness among our people of the need for involvement and militancy in the presidential elections in 2010.

After a disastrous Estrada presidency and with the current Arroyo nightmare, several groups of businessmen, civil society activists, media owners and political power brokers have begun to launch high profile campaigns with the stated goal of ensuring a clean and honest election.

Because the election is just a year away—assuming it is held—it is possible to sustain the mounting enthusiasm and energy until the crucial moment. The last senatorial elections, where big-spending Arroyo pets like Pechay ended up in the camote patch, proved that a militant citizenry can foil even well-funded attempts to cook the polls.

“*Akomismo*,” a campaign conceived by some ad agency friends and, from reports, is being actively supported by genuinely concerned business groups, is one such effort. “*Boto mo, ipatrol mo*,” a movement apparently



STREET TALK
Greg B. Macabenta

spearheaded by the ABS-CBN group and supported by high profile business and civil society leaders, has just been launched. I am aware of other similar activities being planned and may soon be mounted.

This is great. Thank heavens for an aroused citizenry.

But ensuring that the next president is chosen in an electoral process that is not Garcified or Arrorized (rhymes with terrorized) only addresses one of the many problems that beleaguer our hapless country.

One of the most obvious problems, of course, is the fact that the political opponents of Arroyo, many of whom are swine, will use these laudable efforts to help them take over the pigsty.

But the biggest problem, sadly, is ourselves. We, the People.

Unless this aspect of the problem is addressed, we may end up dealing with what comic king, Dolphy, wanted to avoid when he brushed aside suggestions that he should run for president.

“My problem is, I might win and

then I won’t know what to do.”

Indeed, the problem is that, all these efforts to ensure a clean and honest presidential election may result in an honestly and cleanly elected President from Hell.

Or, just as badly, it might result in an honestly and cleanly elected reasonably competent president who will lead a Citizenry from Purgatory.

The harsh fact is that, while everyone is clamoring for change, it is doubtful that we really know what kind of change it is that we need—or knowing, it is doubtful that we are willing to accept the trade-off to achieve that change.

The trade-off will have to come in terms of national discipline, civic responsibility, a clear understanding of right and wrong and the willingness to do what is right—even if it hurts.

Even if it means giving up certain comforts and privileges. Being willing to line up and await our turn instead of jumping the line by dropping names or greasing pockets.

Even if it means overhauling some of the most endearing qualities of being *Pinoy*—*pakikisama* and loyalty to friends and family, whether good, bad or indifferent.

Even if it means selflessness to the point of self-deprivation and

sacrifice.

Are we, as a people, capable of instilling these stringent standards on ourselves? Yes we are. Can we do it? Yes, we have.

When we Filipinos are overseas, we readily—and cheerfully—adjust to the rules and standards imposed by the host societies and governments. We learn to wait in line, follow traffic rules, work hard at our places of employment, get promoted without using padrinos, live within our means, pay taxes and even stay sober during weekdays.

The reason—to be blunt about it—is that, when we break the rules abroad, we are made to pay for it. In the US, the children of the president have been cited for drunkenness. Member of Congress are routinely issued traffic tickets and, just as routinely, thrown in jail for corruption. In the Middle East, violators get their heads chopped off.

Moving closer to home, the way Dick Gordon imposed strict traffic rules in Olongapo and in Subic proves that we can submit to discipline if there is a consistent and fair enforcement of ordinances and laws.

With due respect to the well-meaning folks behind the “*akomismo*”

and “*boto mo, ipatrol mo*” movements (many of whom are skilled marketing persons), I would like to suggest that these efforts be phased, starting with a frank and merciless self-evaluation and the imposition on ourselves of the standards that we propose to impose on the country’s leaders.

When we mindlessly litter the streets and dispose of our garbage every which way, we are hardly in any position to get rid of the garbage in our political system.

When we break traffic rules, drop names, pay bribes, cheat on our corporate taxes, expect special treatment and feel entitled to a fast buck, we are hardly in a position to expect legislators and presidential family members to become exemplars of decency and discipline.

The harsh fact is that the dishonest and abusive among us are not just the politicians. If we look in the mirror, we will see who they are.

I keep being asked what can be done to minimize thievery in society. My response:

“Don’t steal. I don’t. That makes two less thieves.”

Indeed, the cure for our national ills is, “*Tayo mismo!*” (*gregmacabenta@hotmail.com*)

A not so amusing tax relief

A PHILIPPINE movie entered in this year’s Cannes Film Festival in France is among the foreign and Hollywood movies that qualified to vie for the coveted Palme d’Or award. The Philippine entry, *Kinatay*, is a movie about corrupt cops who butchered—as the title literally meant—to pieces a prostitute and witnessed by a trainee-policeman.

We’re hopeful for our Philippine entry to make good, if not win, in this prestigious film competition. Qualifying for it was enough inspiration for other Filipino movie producers to follow suit. I’m no local film buff but our very own entertainment editor Ricky Lo believes there are quite a number of low budgeted but well-made Filipino movies. These are the “indie” films or those made by independent producers.

Like any other businesses, the Philippine film industry has seen movie production outfits, even the big ones, closing shop due to heavy losses. Many of them lost so much money in their movies that flopped at the box office. Industry estimates place around P10 to P20 million of capital or investment is poured to make one big budgeted movie. This is why the local movie industry has been working hard to get some form of relief from the government like tax breaks and other non-tax incentives.

What could have been the most awaited good news for Philippine movies may yet become a nightmare. Instead of rejoicing, our country’s moribund movie industry is generally dreading the day when a Congress-approved bill lapses into law tomorrow. Once it takes effect, the new law reduces the 30 percent amusement tax imposed on movies shown at theaters to just 10 percent.

This is under a still un-numbered Republic Act that will amend Section 140 (A) of RA 7160, or the Local Government Code of 1991. This provision states: “The province may levy an amusement tax to be collected from the proprietors, lessees, or operators of theaters, cinemas, concert halls, circuses, boxing stadia, and other places of amusement at a rate of not more than 10 percent of the gross receipts from admission fees.”

With such huge reduction in tax burden, why would the Filipino film producers still not be happy? Simply because the all-encompassing tax relief will apply to all and not just to local Filipino movies but also to importers and distributors of Hollywood films and other foreign-produced movies.

The beef of our local movie industry stems from the fact that it’s only the local distributors and importers of Hollywood movies and canned TV shows and other foreign-made films who will benefit a lot from this tax reduction. Film importers would be getting the same tax relief for much lower amount of capital investment while the local movie industry invested so much to produce just one film but get the same reduced amusement tax.

This situation is best captured by the symbols of two facemasks used by the Philippine entertainment industry: one face is laughing while the other is crying.

Worse, the implication of this soon-to-become law will benefit also all other kinds of amusement and entertainment activities that include boxing

COMMONSENSE

Marichu A. Villanueva

to cockfighting that are all under the jurisdiction of local government units. And since this is a local tax application, a number of LGUs are similarly apprehensive over the implications of this Congress-approved legislation.

For obvious reasons, President Arroyo has opted to just let it lapse into law after this was submitted to her for signing into law. While this maybe a local tax matter, any diminution of the financial capability of LGUs, however, is also a cause of concern for the Department of Finance.

The entitlement of internal revenue allotment (IRA) of LGUs depends on their local tax collections. If LGUs have lower tax takes, they get lower IRAs. And if they have lower IRA share, the LGUs then asks financial dole out from the national government. So the circle goes around. Unfortunately, it hits back the taxpayers in terms of lesser or poorer public service.

Any reduction in the revenue collection of the Finance Department is certainly non-negotiable, especially to forego amounts from veritable sources of tax revenues. If the Finance Department frowns upon the proposed scrapping of the five percent tax on imported books, what more for a reduction in the amusement tax from 30 percent to 10 percent?

Ironically, this soon-to-become law is the bill crafted and filed by one of their colleagues in the Philippine film industry, Sen. Ramon “Bong” Revilla Jr. who himself is a movie producer and action star, and whose family, I heard, owns a number of cockfighting arenas in their home province in Cavite.

With so many fellow actors in the Upper Chamber that include Senate president pro tempore Jinggoy Estrada and Lito Lapid, the proposed law naturally got its much needed support to ensure its passage through the legislative mills. The problem is they were too eager to please their comrades in the movie industry, but failed to fully comprehend the implications of this legislation.

The counterpart bill at the House of Representatives was authored by Buhay party list representative Irwin Tieng. Tieng is the son of William Tieng who owns Solar Entertainment Corp., a company that, among other things, engages in airing boxing matches in local cable TV, importer and distributor of Hollywood and other foreign-produced TV shows and movies for exhibition in the Philippines.

By the way, the Solar owner sits as board member of the sequestered TV station RPN-Channel 9. But I learned he resigned already from the board after he was elected by President Arroyo to become its chairman of the board. He cited “conflict of interest” for his resignation because his Solar company has a long-term block-time agreement with RPN-9. After a sort of epiphany, the elder Tieng realized this, a year after he joined the RPN-9 board when his Solar company’s contract was extended until the year 2012.

Yes, he is the same Tieng who owns the Solar Sports that is the TV partner of our “Pambansang Kamao” Manny Pacquiao in the HBO Pay-for-View and the local airing of the latter’s recent knockout bout with Ricky Hatton. No wonder Sen. Bong Revilla along with other congressmen were only too happy to watch the Pacquiao-Hatton match in Las Vegas, Nevada! (*Philstar.com*)



Main Office:
1150 Wilshire Boulevard
Los Angeles, CA 90017-1904
Tel: (213) 250-9797 • Fax: (213) 481-0854
e-mail: info@asianjournalinc.com
http://www.asianjournal.com

Manila Office:
Suite 208, The Manila Bank Corp., Bldg.
6772 Ayala Ave., Makati City 1226
Tel.: (632) 893-1720 • Fax: (632) 813-8746

New York and New Jersey:
5 Penn Plaza, Ste. 1932, New York, NY 10001
Tel.: (212) 655-5426 • Fax: (212) 655-9241

2500 Plaza Five, Harborside Financial Center,
Jersey City, NJ 07311
Tel.: (201) 484-7249 • Fax: (201) 484-7201

Las Vegas Sales Office:
3700 W. Desert Inn Road
Las Vegas, NV 89102
Tel.: (702) 792-6678 • Fax: (702) 792-6879

ROGER LAGMAY ORIEL
Publisher & Chairman of the Board

CORA MACABAGDAL-ORIEL
President & Executive Editor

BELLE M. SISON
Executive Vice President
Los Angeles Asian Journal

MONETTE ADEVA MAGLAYA
Senior Vice President
Los Angeles Asian Journal

IVY MANALANG
Vice President - Marketing

MOMAR VISAYA
Editor-in-Chief

JOSEPH PERALTA
Associate Editor

SHARON ANN BATHAN
Features Editor

MARIA LOURDES HALILI
Advertising Editor

DANTE SAMBILAY
Art Director

ANDY TECSON / TED TALAG
Photographers

BANDER LAW FIRM, LLP
Legal Counsel

ADVERTISING AND ADVERTORIAL POLICIES

Asian Journal Publications, Inc. (“AJPI”) reserves the right to refuse to publish, in its sole and absolute discretion, any advertising and advertorial material submitted for publication by client. (“Client’s Material”)

Submission of an advertisement or advertorial to an AJPI sales representative does not constitute a commitment by AJPI to publish a Client’s Material. AJPI has the option to correctly classify any Client’s Material and to delete objectionable words or phrases. Client represents and warrants that a Client’s Material does not and will not contain any language or material which is libelous, slanderous or defamatory or invades any rights of privacy or publicity; does not and will not violate or infringe upon, or give rise to any adverse claim with respect to any common law or other right whatsoever (including, without limitation, any copyright, trademark, service mark or contract right) of any person or entity, or violate any other applicable law; and is not the subject of any litigation or claim that might give rise to any litigation.

Publication of a Client’s Material does not constitute an agreement to continue publication. Client agrees and covenants to indemnify AJPI and its officers against any and all loss, liability, damage, expenses, cost, charges, claims, actions, causes of action, recoveries, judgments, penalties, including outside attorneys’ fees (individually and collectively “Claims”) which AJPI may suffer by reason of (1) Client’s breach of any of the representations, warranties and agreements herein or (2) any Claims by any third party relating in any way to Client’s Material. AJPI will not be liable for failure to publish any Client’s Material as requested or for more than one incorrect insertion of a Client’s Material. In the event of an error, or omission in printing or publication of a Client’s Material, AJPI shall be limited to an adjustment for the space occupied by the error, with maximum liability being cancellation of the cost of the first incorrect advertisement or republication of the correct advertisement. Under no circumstances shall Asian Publications, Inc. be liable for consequential damages of any kind.

ASIAN JOURNAL PUBLICATIONS, INC. publishes the Los Angeles Asian Journal, published twice a week; the Orange County and Inland Empire Asian Journal, Northern California Asian Journal, Las Vegas Asian Journal and the New York / New Jersey Asian Journal which are published once a week and distributed to Los Angeles, Riverside, San Bernardino, Orange Counties, Northern California, Las Vegas and New York and New Jersey respectively. Articles published in this paper do not necessarily reflect the opinions of the publisher. Letters to the Editor are welcome. Letters must contain complete name and return address. The materials, however, are subject to editing and revisions. Contributions and advertising deadlines are every Mondays and Thursdays. For advertising rates and other information, please call the L.A. office at (213) 250-9797 or the Las Vegas Sales Office at (702) 792-6678 or send us an email at info@asianjournalinc.com