

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

Food and food for thought

DEFENSE Secretary Gilbert “Gibo” Teodoro enters the function room of a downtown restaurant quietly, catching our group of media men and women by surprise.

After dispensing with a few pleasantries, he huddles with the restaurant manager, ordering dishes with such familiarity it’s obvious he knows the menu well. As the manager exits, Teodoro explains that Sea Palace had long been a favorite but that “I haven’t been able to eat here lately as often as I would want.”

But to his credit and to our delight, the dishes that arrive are not only good, but quite a ways from the standard repertoire of sweet-and-sour pork and lumpiang Shanghai. Two outstanding examples: breaded gabi studded with roasted almonds with a green vegetable sauce; and a goat meat stew with a pungent side-dish of soybean curd providing the needed punch. “There should also be some lemon rind with it,” he rues, and I could just imagine how the piquant touch would have certainly enlivened the dish.

I had heard that Teodoro is quite a mean cook himself, a calling developed, he joked, because “my mother didn’t cook.” As with most everyone who knows their way through a kitchen, he also enjoys fine food, and knows very well where to find it. “You should taste his roast beef!” says Teodoro’s wife Nikki, who took over his congressional district in Tarlac and now heads the newly created House committee on children’s welfare. Asked if she herself can cook, she smiles and states: “I can, but I don’t volunteer.”

So we know what a Gilbert Teodoro presidency would be like, at least in one aspect: lots of fine food served in Malacañang, with the President personally taking over kitchen chores, perhaps.

Ww all know what we were invited for. Teodoro has just announced his “availability” as the administration’s standard-bearer in next year’s elections, and the dinner was one of many

“getting-to-know-you” sessions.

But the process is less tedious than one might expect. Though he often comes across as tight-lipped and thoughtful, that night Teodoro opened up on many aspects of his life: his relationship with his uncle Danding Cojuangco as well as his other Cojuangco relatives, including Sen. Noynoy Aquino; growing up with a “distant” father who allowed the emotional barriers to be breached only on the last few days of his life; and how he has consciously adopted a different style of parenting with his own son.

Of course, there are also all sorts of policy questions thrown at the presidential aspirant, and being an experienced lawyer, he answers them with ease, and requisite gravity. That was one thing I had liked

about the Secretary while watching a replay of the ANC-Ateneo Forum featuring a number of presidential wannabes that marked the start of the presidential race, a full year before the elections.

Though most of the other candidates had unabashedly laid the nation’s problems at the doorstep of President Gloria Macapagal-Arroyo, Teodoro stuck to his guns, risking boring his audience with a recital of accomplishments when asked what the President had done right. He was thoughtful and considered every question carefully, and his replies bore evidence of not just his intelligence (expected of a bar topnotcher) but also of his “no drama” personality.

As Defense Secretary, he says, he is determined to carry out the reforms initiated by his predecessors, while meeting the demands

of peace-keeping in a resource-poor setting. “Modernization,” which has previously conjured images of massive re-fleeting with costly equipment and arms, can only be carried out in terms of massive recruitment and training of personnel, he says. “We cannot even raise the amount of money needed to buy one new helicopter,” he points out. So far, he says, the greater problem has been the lack of soldiers who are supposed to act as “deterrents” to lawless elements all over the country. With increased recruitment, he says, it should simply be a matter of time before the military puts an end to insurgents and troublemakers.

On the problem of corruption in government, he thinks it would be best addressed by increasing compensation for government officials, though of course the problem seems far more complex than simply material rewards. But he cites his father’s record as a civil servant, serving for more than a decade as SSS administrator with nary a hint of scandal or whisper of corruption.

He squirms uncomfortably only when someone brings up his TV ad, purportedly a commercial calling for citizen involvement in disaster risk management, but obviously meant to introduce him to a bigger public.

“It didn’t really work,” is the consensus around the table, with one guest suggesting he fire his ad agency. Teodoro only smiles tentatively, breaking out in laughter when told that someone had vowed “not to vote for all the candidates who put out ads during the Pacquiao-Hatton fight.”

In all, meeting with Gilbert Teodoro proved to be a most pleasant evening, filling one with optimism that even in a crowded field of aspirants, there are candidates who offer us food for thought. (*Inquirer.net*)



AT LARGE
Rina Jimenez-David

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-police-man.

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 the-

aters 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 to cockfight-

ing 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 filmdom, Sen. Ramon “Bong” Revilla Jr. who himself is a movie producer and action star, and whose family, I heard, owns a number of cock-fighting 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*)

COMMONSENSE

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