

A simple choice

by [Anthony Alden S. Aguilar](#) - October 26, 2015

0 10



EBIT CREDI
Anthony Alden S. Aguilar

I've been sitting in traffic more often lately. It's not exactly my favorite way to spend the afternoon, but it does give me more time to chat with my driver, and catch up on the news on the street. Lately, he's been saying how life's not getting any easier, and I have to say that I can see where he's coming from.

For many "ordinary" Pinoys, the rising cost of living has become even more of a burden, and it's definitely not going down anytime soon. The unpleasant truth is that the purchasing power of the "man-on-the-street" takes a beating year in and year out, and with it, the quality of life of countless families across the country. Translated into everyday realities, that means it's getting harder and harder to do such things as send children to school, pay medical bills, put food on the table—the basic necessities of human existence. And when people feel that it's becoming ever more of a challenge to meet even the simplest of daily needs, the question inevitably arises: What has the government done to make life better for the people?

That's a question many are now asking as we move ever closer to the national elections in May next year, and the answer to it may well decide how the Filipino will vote when he takes up his pen and studies his ballot. Bearing that in mind, not a few people are saying that it's high time the administration considered what legacy it will leave behind to the nation. Six years have seen a raft of programs and projects touted as the means to uplift the lives of the people. I'm not about to thumb my nose at those endeavors, but maybe, with just over seven months to go until May 2016, it's time to consider simple—and above all, direct—ways to make life a little easier, a little better, a little more optimistic, for the man-on-the-street.

This is where a joint Senate and House bill proposed by Sen. Sonny Angara and Rep. Milo Quimbo for the reform of the income-tax system comes in. The bill, which is being championed by Sen. Ralph Recto and endorsed by the Management Association of the Philippines (MAP) through the MAP Unity Statement, is legislation that should be brought to the attention of as many people as possible because the first person who will benefit from it is the man-on-the-street. In a nutshell, if this bill is signed into law, millions of ordinary Pinoys will pay less in income taxes. That means they'll have more in their "take-home" pay envelopes, and that translates into such things as better food on the table, vitamins in the medicine cabinet, a little extra cash to fix a leaky roof (absolutely essential, now that it rains almost every evening), a few more pesos for the kids' allowances. Simple things, it's true, but more often than not, it's the basic, everyday things that help make life just a little better, just a little easier, just a little more optimistic.

The truth of the matter is that the greater majority of our people don't have the luxury of time to wait until one economic program or another

finally fulfills the expectations of the “trickle-down” effect. Whether we like to acknowledge it or not, the sad reality is that often, economic gains take a long time to reach the more underprivileged sectors of society—the “peripheries,” so to speak. In the meantime, the “brain drain” gets worse every year as more and more of the middle class seek better opportunities abroad, and the poor are mired deeper in illiteracy, poverty and crime. Hope becomes nothing more than an elusive dream on fading shore, drawing further and further away with each year that the quality of life in the country moves one notch lower down the economic ladder.

As a tax professional, I’m not about to dispute the need to impose income taxes. But as a private citizen and an observer of social development, I do subscribe to the notion that taxing the population to the point where their disposable income makes it a challenge to sustain a decent standard of living is both counterproductive for the economy, and more important, burdensome to the people. If an economy grows through the consumption of the citizenry, how can we really expect the Philippine economy to develop if the Filipinos themselves barely have enough to spend on the things they need for their daily existence?

It goes without saying that taxes have to be imposed so that the government can have the resources to deliver basic services to the people. But a tax should not be so burdensome that it becomes far more of an affliction than an “investment” in the future of our country. Reforming the income-tax system and adjusting income- tax rates to less onerous levels can only help to uplift the standard of living of millions of Filipinos. At a time when everything from food prices to tuition are perpetually on the upswing, allowing people more money to

spend on the basic necessities is definitely one very sure way that the government can help someone like the ordinary salaried worker improve his lot in life—and he won't have to wait until a particular “development project” finally gets started after miles of red tape, endless issues over funding and a host of other conditions have been settled. (Let's not even talk about the possibility that the project could be shelved for one reason or another!)

There's never any shortage of grandiose plans to transform the national economy and bring prosperity to the country. But, as the saying goes, talk is cheap, and sometimes, all it really takes is the political will to make a change whose impact is immediate and direct. As we move inexorably toward the campaign season and the national elections, perhaps it's time for our political leaders to consider this thought. What legacy do they really want to leave to the people? Yet, another litany of broken promises, or a single, direct act that immediately allows the people more resources to improve their everyday lives?

A simple choice, really. But a choice that will surely be at the back of people's minds in May 2016.

Because in the end, it's the simple choices that really count.

The author is a senior partner of The Tax Offices of Romero, Aguilar & Associates and a former commissioner of the Presidential Commission on Good Government. He is a member of the MAP National Issues Committee and MAP Task Force for Taxation.

