

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

'04 DEC -7 P5:31

SENATE

RECEIVED BY: _____

S. B. No. 1871

(In substitution of SBN 1236 in consideration of HBN 2996)

Prepared by the Committee with Senator Ralph G. Recto as author thereof.

AN ACT

TO IMPROVE THE REVENUE COLLECTION PERFORMANCE OF THE BUREAU OF INTERNAL REVENUE (BIR) AND THE BUREAU OF CUSTOMS (BOC) THROUGH THE CREATION OF A REWARDS AND INCENTIVES FUND AND OF A PERFORMANCE EVALUATION BOARD AND FOR OTHER PURPOSES

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

1 *SECTION 1. Declaration of Policy.* – It is the policy of the State to maximize the
2 revenue generation capability and collection of the Bureau of Internal Revenue (BIR) and
3 the Bureau of Customs (BOC) by providing for a system of rewards and sanctions
4 through the creation of a Rewards and Incentives Fund and a Performance Evaluation
5 Board in the above agencies, for the purpose of encouraging their officials and employees
6 to exceed their revenue goals.

7 *SEC. 2. Rewards and Incentives Fund.* - A Rewards and Incentives Fund,
8 hereinafter referred to as the Fund, which shall be equivalent to twenty percent (20%) of
9 the collection of the BIR and the BOC in excess of their respective revenue goal of the
10 year, as validated by the Development Budget and Coordinating Committee (DBCC),
11 shall be automatically appropriated in the next year's General Appropriations Act (GAA).

12 Revenue goal shall refer to the original revenue target of the BIR and the BOC for a
13 given fiscal year as stated in the Budget of Expenditures and Sources of Financing
14 (BESF) submitted by the President to Congress.

15 The Fund shall be allocated, distributed and released in accordance with the rules
16 and regulations for that purpose as prescribed by the Performance Evaluation Board in
17 each agency, hereinafter created in Section 2 of this Act.

1 SEC. 3. *Performance Evaluation Board.* - There is hereby created a Performance
2 Evaluation Board in the BIR and BOC, hereinafter referred to as the Board, each of
3 which shall be composed of the Secretary of the Department of Finance (DOF) or his
4 representative; Secretary of the Department of Budget and Management (DBM) or his
5 representative; the Commissioner of Internal Revenue or his representative, in the case of
6 the BIR; the Commissioner of Customs or his representative, in the case of the BOC; a
7 representative from the rank-and-file employees; and a representative from the officials,
8 both of whom shall be duly nominated by their respective recognized organization.

9 Sec. 4. *Powers and Functions of the Board.* - The Board in the agency shall have
10 the following powers and functions:

- 11 a.) To prescribe the rules and guidelines for the allocation,
12 distribution and release of the Fund due to the agency as provided
13 for in Section 2 of this Act;
- 14 b.) To set the criteria and procedures for removing from service
15 employees and officials for sanctionable acts prescribed pursuant
16 to this Act, subject to civil service laws, rules and regulations; and
- 17 c.) To terminate personnel in accordance with the criteria adopted in
18 the preceding paragraph, the decision of which shall be
19 immediately executory.

20 SEC. 5. *Right to Appeal.* - An employee or official whose employment is
21 terminated by virtue of the decision of the Board may appeal to the Civil Service
22 Commission (CSC).

23 SEC. 6. *Rules and Regulations.* - The DOF, DBM, BIR, BOC and CSC, shall
24 jointly issue the rules and regulations of this Act within thirty (30) days after its
25 effectivity.

26 SEC. 7. *Separability Clause.* - If any provision of this Act is declared invalid by a
27 competent court, the remainder of this Act or any provision not affected by such
28 declaration of invalidity shall remain in force and effect.

1 SEC. 8. *Repealing Clause.* - All laws, presidential decrees, executive orders,
2 other executive issuances, rules and regulations or parts thereof, including the provisions
3 of Section 285 of Republic Act 8424, which are inconsistent with this Act are hereby
4 repealed, amended or modified accordingly.

5 SEC. 9. *Effectivity.* - This Act shall take effect fifteen (15) days after its
6 publication in at least two (2) newspapers of general circulation.

Approved,