

PRESS RELEASE**Education chief emphasizes importance of TRAIN**

MANILA, July 25, 2018 – Department of Education (DepEd) Secretary Leonor Magtolis Briones called for a change in public mindset towards taxes, in line with the continuous implementation of the Tax Reform for Acceleration and Inclusion (TRAIN).

“A complicating factor in discussions on TRAIN is the general attitude of the public on taxes in general. The public mindset is that taxes are invariably tools of oppression,” Briones stated during a press briefing at Malacañang on July 25.

“We all need to come to terms with the fact that the main source of funds to finance public goods and services is taxes. There is, more often than not, a fundamental contradiction in a position that says no to taxes but demands increasing provision of public goods and services,” she stated.

Briones, a champion of responsible fiscal management and social development, argued that TRAIN is “pro-poor and pro-development” as it provides relief to majority of income earners, while generating funds for important economic and social services.

The Education chief discussed the major components of TRAIN including the provision of significant tax relief to individual income earners, imposition of or increase in the excise taxes of a number of goods, limiting of VAT exemptions, tax administration improvements for better monitoring and compliance, and earmarking of the yearly incremental revenue from the program.

“It [TRAIN] also includes targeted social mitigation measures to alleviate the burden that may be experienced by the lower income groups,” she added.

These measures include Unconditional Cash Transfer to households within the first to seventh income deciles in the data of the National Household Targeting System for Poverty Reduction; Fuel vouchers for qualified franchise holders of public utility jeepneys; a 10% discount on fare in public utility vehicles and in purchase of National Food Authority (NFA) rice for minimum wage earners and the poorest 50% of the population; and free skills training from the Technical Education and Skills Development Authority (TESDA).

From inclusion to acceleration

The Secretary of Education further expounded on the essence of inclusion and acceleration in the tax reform.

She explained that the “inclusion” part pertains to affording most income earners with tax relief through the reform of the income tax schedule, and that imposing zero tax rate for taxable income up to P250,000 per year immediately benefits 83% of income taxpayers in the country.

“This includes 461,695 Teacher I and Teacher II level teachers. Those with higher taxable income will also receive tax relief, while only the highest income bracket of over PhP8,000,000.00 will be imposed higher income tax,” Briones added.

Meanwhile, she pertained to the recovery of the revenue loss from income tax relief, with enough to result in net revenue increase, as representative of the acceleration part: “Of the incremental revenue from TRAIN for the next five years, 70% will go to infrastructure to address the much needed catch-up with the infrastructure backlog that has constrained the rate of our economic transformation.” The remaining 30% of the incremental revenue, she added, is intended for social investments.

Education as major beneficiary

Briones underscored how education has been a major beneficiary of fiscal expansion in recent years with its continuously increasing budget – from PhP200.9 billion in 2010 to PhP704.1 billion in 2018.

She further shared that the funds are used for the salaries of both existing and new teachers, teacher training, learning resources, ICT packages, Science and Math equipment, workshops and laboratories, and Technical-Vocational-Livelihood (TVL) tools and equipment. It is also used to run programs such as school-based feeding for elementary students, Alternative Learning System (ALS) program to target out-of-school youth, and Education Service Contracting (ESC) and voucher program to support the education of secondary learners in private schools.

“These education inputs have resulted in significant improvements in access, with high participation and completion rates, and lowering of dropout rates. This year, we graduated our first batch of more than 1.2 million Senior High School students,” the Secretary further shared, adding that the Department has the numerically highest approval rating among the Executive departments rated in the Pulse Asia March 2018 *Ulat ng Bayan* survey.

In conclusion, Briones expressed her hopes that the public will realize that the education services they receive are funded by taxes, and that TRAIN is needed to sustain these services: “We must all realize that there is no magical source of government resources; its funds come mainly from taxes. In turn, it is these funds that are used to provide for essential goods and services. Education is a major beneficiary of the fiscal expansion, and people recognize the gains. It is high time we recognize that we need taxes to sustain this into the future.”

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