

Rice inventory falls 19.6% month on month in March

THE national rice inventory at the start of March fell 19.6% month on month, the Philippine Statistics Authority (PSA) said.

Rice stocks hit 1.16 million metric tons (MMT) as of Feb. 1, from 2.01 MMT a month earlier.

The national rice inventory rose 18.0%, from 1.37 MMT a year earlier, the PSA said.

As of March 1, 48.7% of the rice inventory was held by households, 32.7% by the commercial sector, and 18.6% by the National Food Authority (NFA).

Rice held by the NFA rose 3.7% month on month. Over the same period, commercial holdings fell 42.8% and those of households declined 1.3%.

Year on year, NFA stocks rose 626.37%, while rice held households rose 12.9%. Commercial entities held 16.3% less rice.

The NFA in January was expected to buy at least 300,000 MT of palay in 2025. In February, Administrator Larry Lacson said it may procure as much as 870,000 MT “if there’s still a budget.”

The NFA has been seeking funds to increase its reserves to comply with the amended Rice Tariffication Law, which raised the stocking requirement to 15 days from nine days.

Tolowericeprices, the Department of Agriculture in January declared an emergency that triggered the release of rice reserves from NFA warehouses. —

Kyle Aristophere T. Atienza



NAIA concession terms face SC legal challenge

By **Chloe Mari A. Hufana**
Reporter

A GROUP of lawyers challenged the validity of the Ninoy Aquino International Airport (NAIA) concession agreement before the Supreme Court (SC) on Monday, claiming that the deal violated the Constitution and the Public-Private Partnership (PPP) Code.

The petitioners included Joel Ruiz Butuyan and Roger R. Rayel of the Center for International Law (Centerlaw); former Environment Undersecretary Antonio Gabriel M. La Viña; and law deans Ma. Soledad Deriquito-Mavis of the Lyceum of the Philippines and Jose Mari Benjamin Francisco U. Tirol of Iloilo’s University of San Agustin.

The named respondents were Cabinet members, represented by the Executive Secretary Lucas P. Bersamin; the Department of Transportation; the Manila International Airport Authority (MIAA); and the New NAIA Infrastructure Corp. (NNIC), the concession holder.

The petitioners urged the Supreme Court to declare the concession contract invalid and to issue provisional remedies to halt its implementation.

“We are here dealing with people’s hard-earned money, of which they are already being deprived every day without due process of law. Given the circumstances, the extreme urgency of and paramount necessity for

Up to 20 airports being eyed for privatization

THE Department of Transportation (DoTr) said it is looking to tap the private sector to operate and maintain up to 20 airports under public-private partnership (PPP) arrangements, citing the need to expand and modernize the country’s regional hubs.

“Initially, it was nine (airports), but we are expanding it to about 20 commercial airports for PPP,” Transportation Undersecretary for Aviation and Airports Jim C. Sydiongco told reporters on the sidelines of a briefing on Monday.

In April, Aboitiz InfraCapital, Inc. is set to take over the

operations and maintenance of Laguindingan International Airport in Misamis Oriental. By June, the company is also set to take on the operations and maintenance of New Bohol-Panglao International Airport.

The infrastructure arm of the Aboitiz group has outlined its plans for the two regional airports including enhancing operational efficiencies, upgrading digital systems, and improving commercial spaces.

Airports that have attracted original proponents are Kalibo; Puerto Princesa, Iloilo

and Davao. “We also have one pending for Siargao,” Mr. Sydiongco said.

Negotiations have concluded for Villar group company Prime Asset Ventures, Inc.’s (PAVI) unsolicited proposal for the operations and maintenance of the Iloilo International Airport, the PPP Center has said.

“(The Iloilo airport) is still on the table; it is still being discussed,” Mr. Sydiongco said.

Last year, the DoTr said it is expecting the privatization of several regional airports, including Iloilo, Puerto Princesa and Kalibo airports.

Mega7 Construction Corp. has submitted an unsolicited proposal to operate, upgrade and maintain the P3.62-billion Kalibo International Airport; while PAVI has also been named original proponent for the P10.24-billion upgrade project for Puerto Princesa International Airport, according to the PPP Center website.

The DoTr has also said that it is expecting to launch the competitive tender for the Davao International Airport, which it intends to structure as a PPP. —

Ashley Erika O. Jose

changes as the draft that was first issued on Dec. 4, 2023. This notwithstanding the objections and clarifications from relevant stakeholders, which made the public hearing held therefor a mere formality,” the petitioners added.

The petition also questioned the financial terms of the agreement, under which NNIC promised to pay MIAA 82% of revenue, along with a P2-billion annual payment and a P30-billion performance bond over the 15-year contract term.

The petitioners warned that, should the concession agreement be upheld, “it will open the floodgates to open and institutional connivance between the government and business conglomerates to partner in operating public utilities, government monopolies, and government facilities, not with an eye to protect(ing) the public interest by providing affordable, accessible, and efficient public services.”

“The future of public utilities, government monopolies, and the operation of government facilities will no longer be dictated by the lowest and most affordable rates,” they added.

They urged the Court to consider the long-term implications of validating such an agreement, which they claim could compromise the affordability, accessibility, and efficiency of public services.

They also sought the immediate return of all sums the respondents received or collected.

OPINION

Adopt-a-school program: A path to tax savings and educational impact

Last weekend, I had the opportunity to return to my home province to take a short break from city life. As I sat in our living room, I noticed a decorated piece of paper that read, “*You are cordially invited to the 50th Commencement Exercises.*” It was my nephew’s graduation program. I thought to myself, graduation season has come once again.

Looking back, I, too, was a product of the public school system during my basic education. I can still remember the difficulty of not having a school library, enough restrooms for the students, quality chairs in the classrooms, and the standard school amenities required to facilitate learning in general. As a young learner, I never questioned the situation, believing it was the norm for everyone. I simply went to school and enjoyed the experience.

Now that I have started building my career, I wonder what the government has done enough to improve the quality of the education system.

My research has turned up various programs encouraging private entities to help or assist in upgrading and modernizing of educational institutions. In 1998, Republic Act (RA) No. 8525, otherwise known as the “Adopt-a-School Program,” was signed. This piece of legislation encouraged private entities to assist all public schools, preferably located in any of the 20 poorest provinces identified by the Presidential Council for Countryside Development. The assistance focuses on the staff and faculty development for training and further education; construction of facilities; upgrading of existing facilities; provision of books, publications and other instructional materials; and modernization of instructional technology.

In return, a qualified Adopting Private Entity which enters into an agreement with a public school will be entitled to tax incentives as laid down in BIR Revenue Regulations (RR) No. 10-2003, dated Jan. 27, 2003. However, due to the ever-changing tax rules, RR No. 13-2025 was recently issued, simplifying

LET’S TALK TAX FELIPE L. JUBAN, JR.

and streamlining the procedures and requirements relative to the availment of the tax exemptions and incentives granted.

INCENTIVES

A private entity which enters into an agreement with a public school to provide assistance (Adopting Private Entity) is entitled to the following tax exemptions and incentives:

I. Deduction from the gross income of the amount of contribution/donation actually, directly, and exclusively incurred for the program, subject to limitations, conditions and rules set forth in Section 34(H) of the Tax Code, plus an additional amount equivalent to 50% of such contribution/donation, subject to the following conditions:

1. That the deduction be availed of in the taxable year in which the expenses were paid or incurred;

2. That the taxpayer can substantiate the deduction with sufficient evidence, such as an official invoice and other adequate records:

a. The amount of expenses being claimed as deduction;

b. The direct connection or relation of the expenses to the Adopting Private Entity’s participation in the Adopt-a-School Program. The Adopting Private Entity must also provide a list of projects and/or activities undertaken and the cost of each undertaking, indicating in particular where and how the assistance was utilized as supported by the agreement; and

c. Proof or acknowledgement of receipt of the contributed/donated property by the recipient public school.

II. Exemption from the donor’s tax prescribed under Section 101(A)(2) and (B)(2) of the Tax Code, which provides that gifts in favor of an educational in-

stitution be exempt from the donor’s tax provided that not more than 30% of the gifts be used by such donee for administration purposes.

• In the case of foreign donation, the VAT and excise tax, if any, on the import of goods will be assumed by the DepEd, CHED, or TESDA, as the case may be, being the consignee or the importer thereof, except in cases where the imports are exempt from VAT under Section 109 of the Tax Code. In this connection, VAT on imports payable by the concerned National Government agency (DepEd, CHED or TESDA) to the National Government arising from the foreign donation is deemed automatically appropriated and must be considered as expenditure of the government pursuant to the provisions of the Government Appropriation Act (GAA) as determined by the Congress on an annual basis.

• In the case of local donation considered as a “transaction deemed sale” of goods or property originally intended for sale by the Adopting Private Entity, the same is subject to VAT on the transfer of such goods or property under Section 106(B)(1) of the Tax Code. The donor or Adopting Private Entity, however, is entitled to claim the available input tax subject to the rules on allocation among taxable sales, zero-rated sales, and exempt sales. On the other hand, the donee-public school will be deemed the final consumer/end-user, and therefore not entitled to any input VAT.

If the local donation is not considered a “transaction deemed sale,” then the transfer of the goods or properties to the public school is exempt from VAT.

AVAILMENT OF TAX EXEMPTION AND INCENTIVES

For the exemption from donor’s tax and deduction of donations and contributions from the taxable income for income tax purposes, the Adopting Private Entity must attach to its donor’s tax return and ITR for the period when the donation is made and deduction is claimed, the original or certified true copy of the following

documents to support and substantiate its claim:

1. Duly notarized/approved agreement between the Adopting Private Entity and the public school, as endorsed by the National Secretariat;

2. Duly notarized Deed of Donation and Acceptance; and

3. Sworn Declaration issued by the authorized officer of the Adopting Private Entity as to the direct connection or the relation of the expenses being claimed as deduction/donation to the Adopting Private Entity’s participation in the program. The Adopting Private Entity must provide a list of projects and/or activities undertaken and the cost of each undertaking, indicating in particular where and how the assistance has been utilized as supported by the government.

The Adopting Private Entity is to keep the official invoices and other supporting documents to support the expenses for purposes of BIR post-audit.

VALUATION ISSUES

The assistance, contribution, or donation made by private entities covered by these regulations is to be valued as follows:

A. Cash assistance/contribution or donation

The amount of assistance/contribution or donation will be based on the actual amount contributed/donated appearing in the official invoice issued by the donee.

B. Personal Property

If the contribution or donation is in the form of personal property, the amount of the contribution or donation will be based on the acquisition cost of the assistance or contribution. However, if the property is used, then such valuation must take into consideration the depreciated value of the property.

C. Consumable Goods

If the assistance is in the form of consumable goods, the amount of the contribution or donation will be based on the donor’s acquisition cost or the actual cost thereof at the time of the donation, whichever is lower.

D. Services

If the assistance is in the form of services, the amount of the contribution or donation will be based on the value of the services rendered as agreed upon by the donor and the service provider and the educational institutions as fixed in the agreement, or the actual expenses incurred by the donor, whichever is lower.

E. Real Property

If the assistance is in the form of real property, the amount of the contribution or donation should reflect the fair market value of the property at the time of the contribution/donation, as determined under RA No. 12001 or Section 6(E) of the Tax Code, as the case may be, or the book value/depreciated value of the property, whichever is lower. Appraisal increase or appreciation in the value of the asset recorded in the books of account should not be considered in computing the book value of the asset.

Thus, these clear guidelines issued by the BIR in the availment of tax exemptions and incentives, should encourage private companies and enterprises to help in the upgrading and modernization of public schools. It allows the state to provide quality and relevant education and inspires private initiative to support public education. Taxes, being the lifeblood of the state, do not only mean the collection of taxes but more so the initiation of programs that will sustain government operations and the overall welfare of society.

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