DBM to pre-select vetted infra projects for legislators

THE Department of Budget and Management (DBM) is working on creating a "menu" of ready-to-implement infrastructure projects for legislators to include in the budget, Secretary Amenah F. Pangandaman said.

"We are going to have a menu for our legislators. If they want to add to the budget or if they see something from our list of projects, for example, flood control, farm-to-market roads, school building programs, they can choose from that menu," she said on a radio program on Wednesday.

She said the menu system ensures that a project is pre-vetted or validated.

Ms. Pangandaman has indicated a move to a more coordinated, efficient and data-driven approach in selecting priority projects.

The Development Budget Coordination Committee has proposed a P6.793-trillion spending plan for 2026. This is 7.4% higher than this year's budget and is equivalent to 22% of gross domestic product.

President Ferdinand R. Marcos, Jr. in his State of the Nation Address last month said he would not approve any 2026 national budget that significantly deviates from his government's national expenditure program.

This could lead to a reenacted budget, under which the government is forced to operate under the preceding year's budget. The last major reenacted budget crisis was in 2019 under President Rodrigo R. Duterte, during which the new year's budget was left unsigned for four months.

The House of Representatives is expecting to receive the proposed national budget for 2026 by next week. Budget hearings are set to begin in September. — **Luisa Maria Jacinta C. Jocson**

JICA expediting Pasig-Marikina, Cagayan River flood control plans

THE Department of Public Works and Highways (DPWH) said the Japan International Cooperation Agency (JICA) has been tapped to help expedite the updating of flood control master plans for the Pasig-Marikina and Cagayan River basins.

DPWH.GOV.PH

JICA-FUNDED flood control project in Cagayan de Oro in 2022.

"Once finalized, the updated master plan reports will be submitted to DEPDev (the Department of Economy, Planning, and Development) for review and approval, with pre-feasibility studies expected to begin in early 2026," Public Works and Highways Senior Undersecretary Emil K. Sadain said in a statement on Wednesday.

The DPWH said these plans aim to mitigate the recurring problem of flooding while also enhancing disaster resilience.

These two major waterways are considered crucial in supporting the economic growth and development of Metro Manila and the Cagayan Valley.

"These studies and proposed measures in a holistic approach are anticipated to support integrated water resources management, improve interagency coordination, and enhance the overall risk and reduction efforts in Luzon," Mr. Sadain said.

Launched in 2024, the Japan-funded technical cooperation program will also assess the necessity of flood control dams as a countermeasure to reduce flooding damage within Metro Manila.

A separate master plan for the San Juan River is also being drafted to address low-river flow capacity, and possible solutions and embankment improvements in Manila, San Juan, and Quezon City. — **Ashley Erika O. Jose**

PHILIPPINE STAR/WALTER BOLLOZOS

Aklan plans terminal to attract more cruise visits to Boracay

BORACAY — Aklan province said it hopes to start construction of a cruise ship terminal this year to address growing demand from cruise lines seeking to stop at Boracay.

"The most important thing for us right now is to provide facilities for cruise ships," Aklan Governor Jose Enrique M. Miraflores told reporters on the sidelines of the inauguration on Tuesday of the LezzGo Boracay integrated ferry ticketing system for visitors to the resort island.

"Cruise ship tourism is one of the up-and-coming activities here. Last year, we received 19 cruise ships, but our problem here is that there is no port," he added.

He said some cruise passengers were deterred from visiting Boracay because of the absence of docking facilities. Those who wished to explore the island had to be ferried to shore by tender.

"Many of them are seniors and persons with disabilities. They find it a hassle because they have to be transferred by boat," he said.

"Our dream is to have a port here where the ships can dock and the tourists can safely go to Boracay," he added.

He said the province has received P800 million in funding from the Philippine Ports Authority (PPA) this year for the cruise terminal.

"That funding is not enough, so we are also securing more funding that will allow us to complete it," he said.

"I think more or less we will need P2 billion. We need it to at least have a depth of 12 meters and a 300-meter berth so the cruise ships can," he added, noting that the province has also sent a letter to the National Government for additional funding.

He said that the project is set to begin construction in the fourth quarter, overseen by the PPA.

"This is supported by the Department of Tourism and other national agencies because they can see the need for a cruise ship facility," he added.

Once built, he said the port will have the capacity to service two cruise ships at a time.

He said the cruise terminal will allow Boracay to accommodate more port calls by cruise lines.

"I think there were three cruise ships last year that did not go through, so it is such a waste," he said.

"Next year, we are going to have a lot of cruise ships coming here. There's going to be a Japanese liner that is going to make a call here," he added.

Last year, he said the majority of the cruise ships that visited Boracay departed from Hong Kong. — **Justine Irish D. Tabile**

Potential Indian investors keen on PHL pharmaceuticals, infrastructure

POTENTIAL Indian investors have indicated their interest in pursuing pharmaceutical and infrastructure ventures in the Philippines, the Palace press office in Manila said.

It added that Indian officials also noted the potential upside in bilateral trade activity, coming from a low base.

Citing the outcome of a business roundtable in Delhi organized during President Ferdinand R. Marcos, Jr.'s state visit to India, it said other areas of interest were digital technology, autos, agrifood processing, clean energy, and innovation-driven enterprises.

Indian investment in the Philippines is valued at about $5 billion in industries like information technology services, pharmaceuticals, healthcare, textiles, and agriculture.

At the roundtable in the Indian capital, Commerce and Industry Minister Piyush Goyal described the current level of bilateral trade as "abysmally low" but saw it as an opportunity for growth.

"This is one partnership where we should only aim for exponential growth," Mr. Goyal said.

Mr. Marcos' state visit to India is meant to signal a Philippine pivot to non-traditional trade partners.

The two countries are currently working towards a Preferential Trade Agreement (PTA) and have recently elevated their relationship to a strategic partnership.

Mr. Marcos was quoted by the Palace as saying that the Philippines is continuing to pursue reforms to attract foreign investment, highlighting the CREATE Act; Executive Order No. 18, establishing 'green lanes' for expedited processing of strategic investments; the newly passed Public-Private Partnership Code; and liberalization of foreign ownership in renewable energy projects.

"Our investment environment is the most open and liberal that it has ever been," Mr. Marcos said, citing the Philippines' 5.7% gross domestic product growth in 2024, healthy banking and financial systems, and strong credit ratings.

Trade Secretary Maria Cristina Aldeguer-Roque called on Indian firms to see the country not just as a market but as a long-term partner in nation-building.

She highlighted industries primed for investment, including infrastructure, clean energy, healthcare, digital services, and electric vehicles.

Federation of Indian Chambers of Commerce and Industry (FICCI) President Harshvardhan Agarwal was quoted as saying that the group is ready to facilitate closer cooperation, and floated the possibility of establishing an FICCI office in the Philippines to support long-term engagement.

Mr. Marcos urged Indian companies to explore joint ventures in high-growth sectors such as ICT, digital technology, semiconductors, infrastructure, healthcare, and pharmaceuticals — areas aligned with Philippine development priorities.

To accelerate progress on trade talks, Mr. Marcos directed the Department of Trade and Industry to work closely with Indian counterparts to convene the Joint Working Group on Trade and Investment.

He also pushed for formal negotiations on the proposed PTA, calling it a "strategic platform" for mutual growth.

He encouraged Indian CEOs to visit the country and "see what a globally competitive Philippines can offer." — **Chloe Mari A. Hufana**

OPINION

Tax relief amid torrential rains

TAXWISE OR OTHERWISE
DOROTHY JANE PUGUON

As the country enters the second half of the year, we brace ourselves for the familiar rhythms of the rainy season. This period brings not only cooler temperatures but also relentless rains, unpredictable weather, and, worse, flooding that disrupts daily life. Beyond the inconvenience lies a deeper struggle: homes inundated by floodwaters, families displaced, and livelihoods interrupted.

Recently, the northern Philippines, including Metro Manila, was hit by a series of storms. The continuous rainfall, exacerbated by the southwest monsoon (*habagat*), caused damage exceeding P6 billion to public infrastructure and agriculture. During that period, the government repeatedly suspended classes and government work in affected areas to ensure public safety. For the private sector, some scaled back operations or operated remotely. Taxpayers with reporting or filing deadlines were affected, as government-declared work suspensions disrupted schedules and potentially delayed filings.

Recognizing the operational and personal toll of these disruptions, the Bureau of Internal Revenue (BIR) issued three key circulars — Revenue Memorandum Circular (RMC) Nos. 75, 76 and 77-2025 — providing much-needed relief to taxpayers by extending deadlines for filing critical documents and remitting taxes.

TAX FILING AND PAYMENT DEADLINE EXTENSIONS

The series of government work suspensions announced by the Office of the President through Memorandum Circular Nos. 88 to 91, the BIR (thru RMC Nos. 75 and 77) extended the deadline for filing tax returns, paying taxes, and submitting specific documents to July 31. This extension applied to affected Revenue District Offices and Authorized Agent Banks in Metro Manila and several provinces across Regions I to VI and the Cordillera Administrative Region.

Specifically, the following filing deadlines were extended:

1. BIR Form 2550Q (Quarterly VAT Return) for eFPS & Non-eFPS Filers – For the Quarter ending June 30
2. Quarterly Summary List of Sales/Purchases/Imports by a Value-added Tax (VAT) Registered Taxpayer for Non-eFPS Filers – For the Quarter ending June 30
3. BIR Form 2551Q (Quarterly Percentage Tax Return) – For the Quarter ending June 30
4. BIR Form 2550DS (VAT Return for Non-resident Digital Service Provider) – For the Quarter ending June 30
5. Sworn Statement of Manufacturer's or Importer's Volume of Sales of each particular Brand of Alcohol Products, Tobacco Products and Sweetened Beverage Products – For the Quarter ending June 30
6. Quarterly Information on Overseas Contract Workers or Overseas Filipino Workers Remittances Exempt from Documentary Stamp Tax – For the Quarter ending June 30
7. Quarterly Report of Printer – For the Quarter ending June 30
8. BIR Form 1600 WP (Remittance Return of Percentage Tax on Winnings and Prizes Withheld by Race Track Operators) for eFPS & Non-eFPS Filers – For the Month of June

A WIDER NET OF SUPPORT

The BIR also extended (through RMC 76) the deadline for submission of position papers, replies, protest letters and other correspondences and documents related to ongoing BIR audit investigations; tax refunds; assessment notices and warrants of distraint and levy; and other similar letters/correspondences.

This extension applies to submissions originally due from July 21 to 25, with a new deadline set 10 calendar days from the last day of government work suspension as declared by the Office of the President, i.e., July 25. RMC 76 also clarified that if the extended due date falls on a holiday or non-working day in the affected areas, the deadline is to be moved to the next working day.

A particularly notable point in RMC 76 is that it took into consideration future government work suspensions in areas affected by inclement weather. Thus, any similar submission falling due during future suspension periods will likewise be extended by 10 calendar days from the last day of suspension.

This proactive provision is a significant step forward in making tax administration more responsive to real-world challenges. It acknowledges that weather-related disruptions are not isolated events but recurring realities that require flexible compliance mechanisms.

As many affected businesses and tax practitioners face logistical challenges (e.g., power outages to office closures and navigating floodwaters), the clamor for leniency and consideration has been strong.

Fortunately, these concerns did not fall on deaf ears. As BIR Commissioner Jun Lumagui shared on his social media account, *"Nadinig namin kayo."* The issuance of RMC Nos. 75, 76 and 77-2025 is a timely and considerate measure, demonstrating the BIR's understanding of the difficulties taxpayers face and its commitment to making compliance more manageable.

The circulars also reflect a broader shift in tax administration — one that values empathy, flexibility, and responsiveness. In times of crisis, such measures not only ease the burden on taxpayers but also reinforce trust in public institutions.

As the monsoon season continues, more weather-related suspensions may follow. As part of good housekeeping, taxpayers are advised to monitor official BIR announcements and coordinate with their advisors to ensure compliance within the adjusted timelines.

For now, these clear guidelines, particularly provisions under RMC 76 for audit and refund-related correspondences, offer much needed clarity and relief. They serve as a reminder that tax policy can and should adapt to the realities faced by the people it serves.

The views or opinions expressed in this article are solely those of the author and do not necessarily represent those of Isla Lipana & Co. The content is for general information purposes only, and should not be used as a substitute for specific advice.

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