

PHL tax system seen benefiting from AI audits, lower CTA fees

By Aubrey Rose A. Inosante

Reporter

THE GOVERNMENT has been urged to harness artificial intelligence (AI) to overhaul the tax audit system and lower Court of Tax Appeals (CTA) filing fees.

Raymond Abrea, chairman and chief executive officer of the Asian Consulting Group, said the Bureau of Internal Revenue's (BIR) recent audit reset should shift to a technology-driven approach that protects honest taxpayers while deterring corrupt actors.

"This audit reset is a welcome development, but real reform requires an AI-driven, risk-based

audit that targets high-risk taxpayers — especially corrupt politicians and government contractors — while protecting compliant taxpayers and restoring trust in the system," Mr. Abrea said in a statement on Monday.

BIR Commissioner Charlito Martin R. Mendoza recently ordered the suspension of field audits, following complaints from business groups over alleged extortion linked to letters of authority.

At the same time, Finance Secretary Frederick D. Go proposed creating a centralized digital platform to check the authenticity of these documents, alongside restricting the number of BIR offices authorized to issue them, as part of broader

efforts to tighten oversight and prevent misuse.

Eleanor L. Roque, tax principal at P&A Grant Thornton, called for the lowering of CTA filing fees, warning that the current system can open the door to corruption.

"If the amount assessed is unreasonably huge, the BIR examiner already has the leverage. They can inform the taxpayers to just pay the BIR personnel instead of paying the CTA filing fees," she said via Viber.

Ms. Roque said the filing fees, which are based on the amount assessed by the BIR, pose a "huge roadblock for taxpayers wanting to exercise their rights."

She also argued against BIR regulations and circulars that create gray areas, which examin-

ers may exploit to justify unreasonable assessments.

"Even if the taxpayers have valid defenses, the only route is through the CTA which is expensive and time-consuming. Hence, instead of protesting the assessment, the taxpayer becomes victim of extortion just to decrease the tax payable," she said.

Ms. Roque noted that while stories of extortion hounded the agency, only a few BIR personnel have been jailed for such offenses.

"The BIR can look at highlighting what they are doing in punishing the abusive examiners who issue jeopardy assessments. This will send a good signal to the taxpayers that BIR is no longer tolerating this practice," she said.

P1.5B allocated for Basco port upgrades

THE Philippine Ports Authority (PPA) is investing nearly P1.5 billion to build a new port and upgrade existing facilities in Basco, Batanes.

In a bid notice, the regulator invited interested parties for the P698.46-million new port development project in San Joaquin, Basco; and P706.69-million port upgrade and rehabilitation of the current Basco port.

According to the bid invitation, interested parties have until Jan. 27 to submit proposals for the new port development project.

It said that the winning contractor will be given 900 calendar days from the receipt of the award to complete the project, which includes construction of the port operational area and reinforced concrete pier.

Bidders can also submit proposals for the Basco port improvement and rehabilitation project until Jan. 27, the PPA said, noting that interested parties must have completed a similar project to qualify for the bidding.

Basco port serves as the gateway for trade, tourism and connectivity in Batanes province, the PPA said.

The PPA said cargo and passenger traffic this year have been stronger than expected, with targets expected to be exceeded when demand peaks in the fourth quarter.

The regulator is targeting cargo throughput of 301.47 million metric tons, while container volume is anticipated to top eight million twenty-foot equivalent units by year's end.

In 2024, the PPA said it earmarked up to P16 billion for infrastructure projects until 2028. The funds will be allocated for enhancing port efficiency and capacity, including 14 big-ticket projects targeted for completion within the period. — **Ashley Erika O. Jose**

Budget,
from SI/1

During deliberations, the bicameral panel raised funding for the education sector to P1.35 trillion, which Mr. Gatchalian said was equivalent to 4.4% of economic output.

The budget of the Department of Education was increased by P47.18 billion to P961.32 billion, which would mainly be used for the construction of 34,000 new classrooms.

Funds would also be used to support the school feeding program with P25.7 billion aimed at covering 180 days and the procurement of textbooks at P19.51 billion.

"There will be clear and meaningful steps to reduce the shortage of classrooms. Millions of malnourished students will benefit from the School-Based Feed-

ing Program. And we will ensure that every student has their own textbook," Mr. Gatchalian said.

The budget of state universities and colleges was also raised by P6.22 billion to P137.9 billion under the 2026 national spending plan.

Funding under the health sector now stands at P447.6 billion, after lawmakers raised the Department of Health's budget by P14.68 billion to P297.85 billion.

The budget of the Philippine Health Insurance Corp. (PhilHealth) was increased by P16.52 billion to P129.78 billion as the additional funds were rechanneled from the Public Works department.

Mr. Gatchalian said the panel also hiked funding for Zero-Balance Billing program for government hospitals to P1 billion, and expanded the program to include selected local government units.

The panel had also raised the Agriculture department's budget by P5.48 billion to P185.77 billion to fund the construction of farm-to-market roads, post-harvest facilities, and support its modernization program.

"Programs that will help our farmers' income and our country's food security, such as credit insurance and direct market access, will now be properly funded," the senator said.

The bicameral committee has slashed the Department of Public Works and Highway's (DPWH) budget by P94.89 billion to P529.595 billion, mainly from the P52.3-billion cut for foreign-assisted projects.

Unprogrammed allocations are now set at P243.4 billion, close to the P250 billion under the National Expenditure Plan. These include P4.32 billion to support Fiscal Support Arrearages for

Comprehensive Automotive Renaissance Strategy Program, and P250 million for the Revitalizing the Automotive Industry for Competitiveness Enhancement Program.

Unprogrammed appropriations are standby funds for pre-planned government projects or emergency contingencies, which are sourced from revenues or new collections.

Adolfo Jose A. Montesa, an adviser for the People's Budget Coalition, said that delays in the bicameral conference could have been avoided if lawmakers had finalized the funding for infrastructure projects before the start of proceedings.

FULL STORY
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124 projects added to PPP pipeline led by school-construction program

THE GOVERNMENT added 124 projects to its public-private partnership (PPP) pipeline since December 2024, bringing the total to 251, valued at P2.81 trillion.

In a statement on Monday, the PPP Center said the overall pipeline consisted of 166 national projects and 85 local projects.

Of the 251 projects, 194 were solicited and 57 unsolicited.

The additional projects include the PPP for School Infrastructure Project (PSIP) Phases IV and V, and PSIP Connect, both of which address classroom shortages and enhance digital readiness in public schools, it said.

The PPP Center noted that the full implementation of the PPP Code took effect in 2025, following its passage in December 2023.

"The country is already seeing the impact, with a growing number of implementing agencies, especially local government units (LGUs) initiating projects," it said.

The PPP Center said it received more unsolicited private-sector proposals from non-traditional industries such as information and communication, energy, property, and health.

At the same time, project review, approval, and award timelines have also accelerated.

The PPP Center said 13 projects were awarded this year — 11 of which were local and two national.

These include the National Single Window, implemented through the Integrated Trade Facilitation Platform Project, which

aims to streamline and digitize import, export, and trade-related regulatory processes.

Other awarded projects included the Bataan Single Ticketing System, the South Luzon Integrated Terminal Exchange, the Mangatarem Water Supply System in Pangasinan, and the Palayan City Hospital PPP project in Nueva Ecija.

As such, the number of PPP projects under implementation and monitoring rose to 288, comprising 184 national and 104 local projects.

As of Dec. 21, the PPP Center said it had received a total of 98 proposals from the private sector, of which 31 are complete and endorsed to implementing agencies for detailed evaluation.

The Project Development and Monitoring Facility (PDMF) Committee approved projects for advisory support, including the Operation and Maintenance of Pangil Bay Bridge Project for the Department of Public Works and Highways, PSIP Connect, PSIP Phases IV and V of the Department of Education, and the Fuel Marking Program PPP and the Cross-Border Electronic Invoicing projects.

PDMF-supported projects that completed their pre-feasibility studies this year were the North Integrated Transport System, Mindanao Railway Phase III, and San Mateo Railway Project.

These projects will soon proceed to the feasibility study stage, moving them closer to implementation, the PPP Center said.

— **Aubrey Rose A. Inosante**

POST-AWARD INFORMATION		
Project Name: DESIGN AND BUILD FOR THE CONSTRUCTION OF COAST GUARD WEAPON SYSTEM FACILITY WITH AMMO DUMP		
Approved Budget for the Contract: PhP133,447,000.00		
Contract Period: 553 CD		
Name of Winning Bidder and Its Official Business Address: LBP RESOURCES AND DEVELOPMENT CORPORATION 24 TH FLOOR LBP PLAZA, 1598 M.H. DEL PILAR CORNER DR. J QUINTOS STREETS, MALATE MANILA		
Amount of Contract Awarded: PhP128,974,670.37		
Date of Award: 15 December 2025		
Implementing Office: Coast Guard Infrastructure Development Service		

POST-AWARD INFORMATION		
Project Name: DESIGN AND BUILD FOR THE CONSTRUCTION OF COAST GUARD BASE LEYTE		
Approved Budget for the Contract: PhP80,000,000.00		
Contract Period: 540 CD		
Name of Winning Bidder and Its Official Business Address: ARN BUILDERS INC. MEZZANINE, NORTHGATE CENTER, GOV. CUENCO AVE. KASAMBAGAN, CEBU CITY		
Amount of Contract Awarded: PhP76,357,781.80		
Date of Award: 19 December 2025		
Implementing Office: Coast Guard Infrastructure Development Service		

POST-AWARD INFORMATION		
Project Name: SUPPLY AND DELIVERY OF FOUR (4) SETS OF PCG MOBILE COMMAND CONTROL VEHICLE (MCCV)		
Approved Budget for the Contract: PhP200,000,000.00		
Contract Period: 120 CD		
Name of Winning Bidder and Its Official Business Address: METRO ASIA MARKETING AND BUILD CORP. D' NEW CITY HUB TIRONA HIGHWAY HABAY I, BACOOR, CAVITE		
Amount of Contract Awarded: PhP189,981,692.81		
Date of Award: 23 December 2025		
Implementing Office: Deputy Chief of Coast Guard Staff for Maritime Communications, Weapons, Electronics and Information System, CG-11		

POST-AWARD INFORMATION		
Project Name: SUPPLY AND DELIVERY OF .50 Caliber Ammunition (Linked) for the PCG		
Approved Budget for the Contract: PhP250,000,000.00		
Contract Period: 60 CD		
Name of Winning Bidder and Its Official Business Address: ORA INTERNATIONAL LIMITED CORP. AND TAR IDEAL CONCEPTS LIMITED-JOINT VENTURE 46 BROADWAY AVE., BROOKSIDE HILLS SUBDIVISION, BRGY. SAN ISIDRO, CAINTA RIZAL		
Amount of Contract Awarded: PhP249,972,198.96		
Date of Award: 17 July 2025		
Implementing Office: Deputy Chief of Coast Guard Staff for Maritime Communications, Weapons, Electronics and Information System, CG-11		

POST-AWARD INFORMATION		
Project Name: SUPPLY AND DELIVERY OF CALIBER 5.56MM M4 RIFLES WITH OPTICAL SIGHT FOR THE PCG		
Approved Budget for the Contract: PhP299,985,522.67		
Contract Period: 120 CD		
Name of Winning Bidder and Its Official Business Address: ARMSCOR GLOBAL DEFENSE INC. #2 ARMSCOR AVENUE, BRGY. FORTUNE, MARIKINA CITY		
Amount of Contract Awarded: PhP296,		