



**PHILIPPINE
TAX ACADEMY**

Winning the Legislation for Health Tax Reforms

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How did the Philippines get the health tax laws passed?

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1. Packaging the reform as a health measure



2. Strong support from two Presidents

"Hangad nating gawing abot-kamay
para sa lahat ang benepisyong pangkalusugan,
mayaman man o mahirap,
sagrado po kasi ang buhay ng Pilipino."

Pres. Benigno S. Aquino, Jr.,

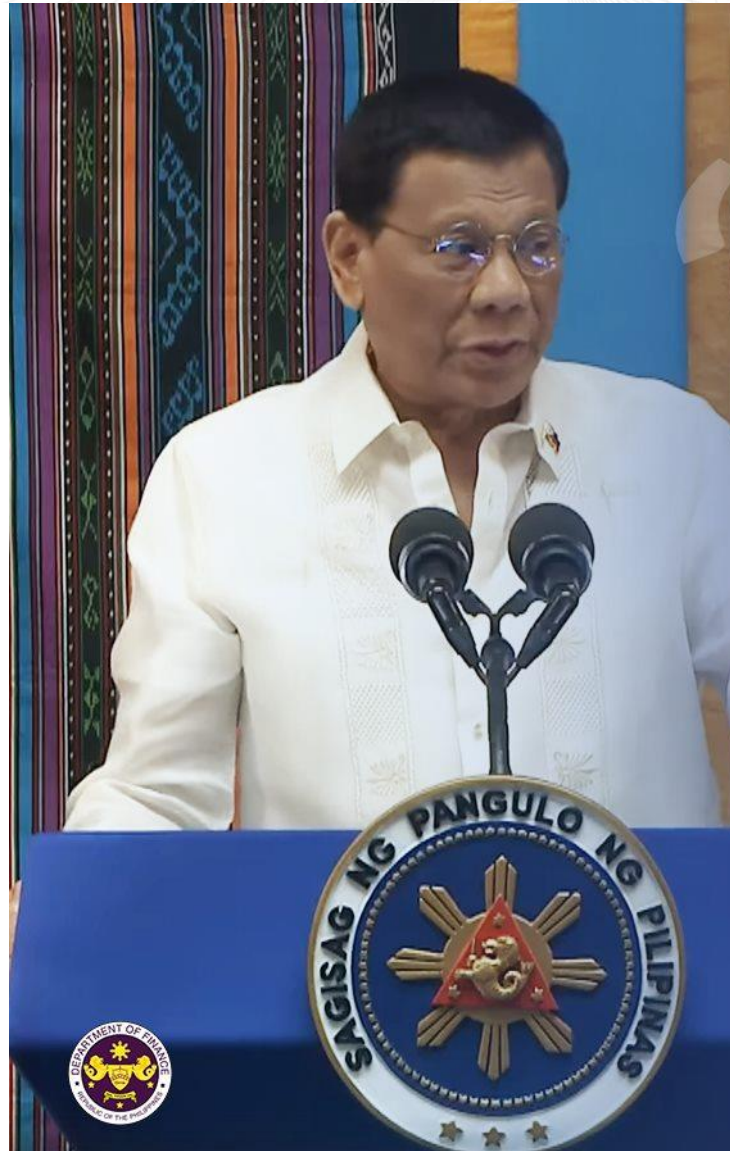
Signing of RA 10351, Dec. 20, 2012



Translation:

We desire that
health care be
available to
everyone, rich
or poor,
because the life
of every Filipino
is sacred.

2. Strong support from two Presidents



*I'm also asking Congress to pass the remaining packages of my administration's tax reform program and the bills that will further **raise excise tax** on—very good let's do it! —**tobacco and alcohol.***

President of the Republic of the Philippines

Rodrigo Roa Duterte

State of the Nation Address 2019
Batasang Pambansa, Quezon City
July 22, 2019



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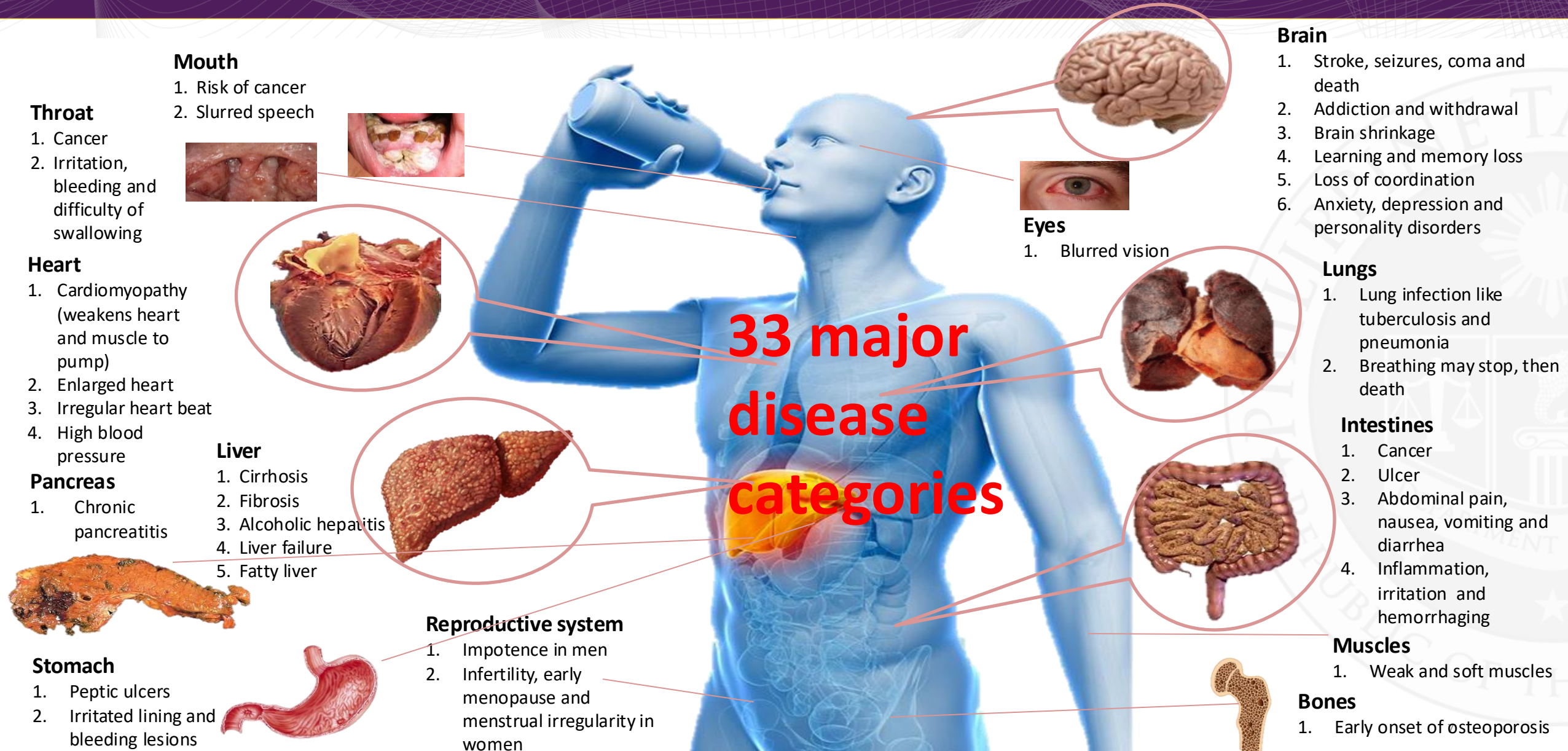
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3. Data-driven and evidence-based policy proposal



5. Linking arguments to deaths and diseases

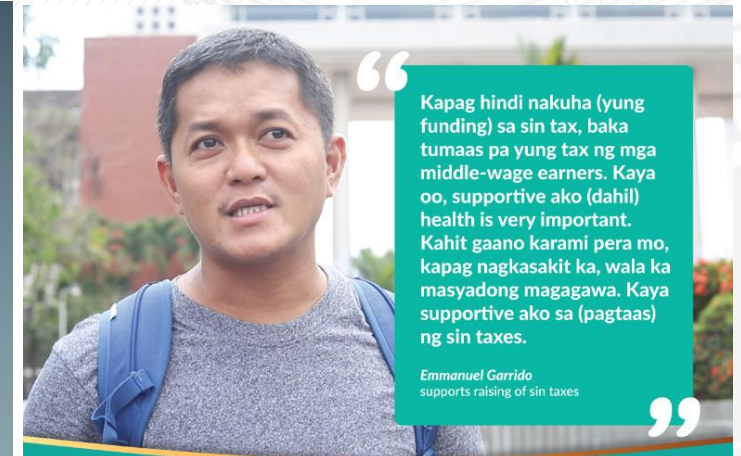


6. Providing support to legislators through continuous engagements



Technical meetings with legislators in preparation for the hearings.

7. Support from the public and civil society



“Kapag hindi nakuha (yung funding) sa sin tax, baka tumaas pa yung tax ng mga middle-wage earners. Kaya oo, supportive ako (dahil) health is very important. Kahit gaano karami pera mo, kapag nagkasakit ka, wala ka masyadong magagawa. Kaya supportive ako sa (pagtaas) ng sin taxes.”

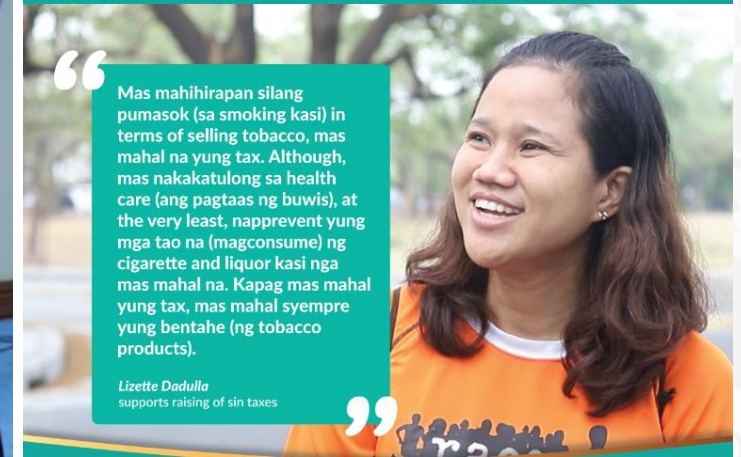
Emmanuel Garrido
supports raising of sin taxes



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RAISE SIN TAXES
FOR UNIVERSAL HEALTH CARE!



“Mas mahihirapan silang pumasok (sa smoking kasi) in terms of selling tobacco, mas mahal na yung tax. Although, mas nakakatulong sa health care (ang pagtaas ng buwis), at the very least, napprevent yung mga tao na (magconsume) ng cigarette and liquor kasi nga mas mahal na. Kapag mas mahal yung tax, mas mahal syempre yung bentahe (ng tobacco products).”

Lizette Dadulla
supports raising of sin taxes



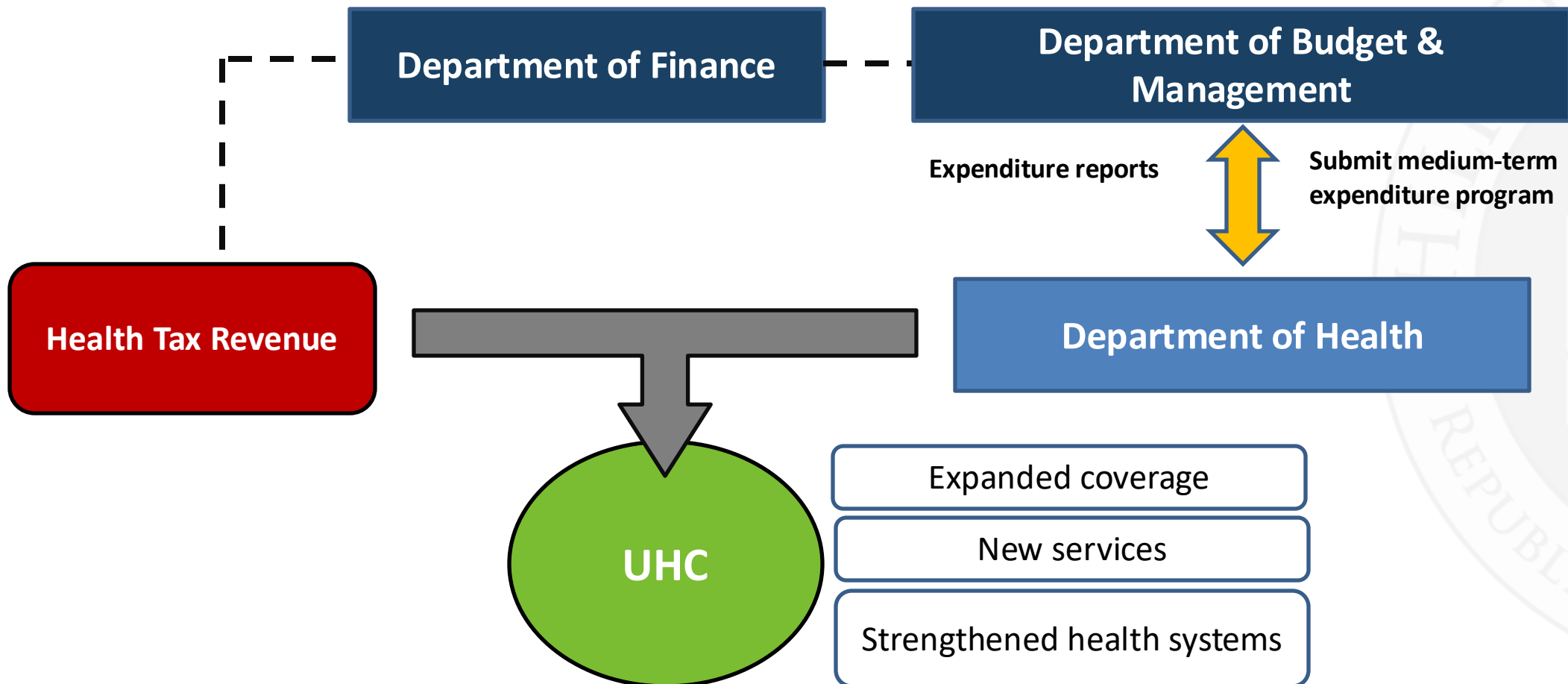
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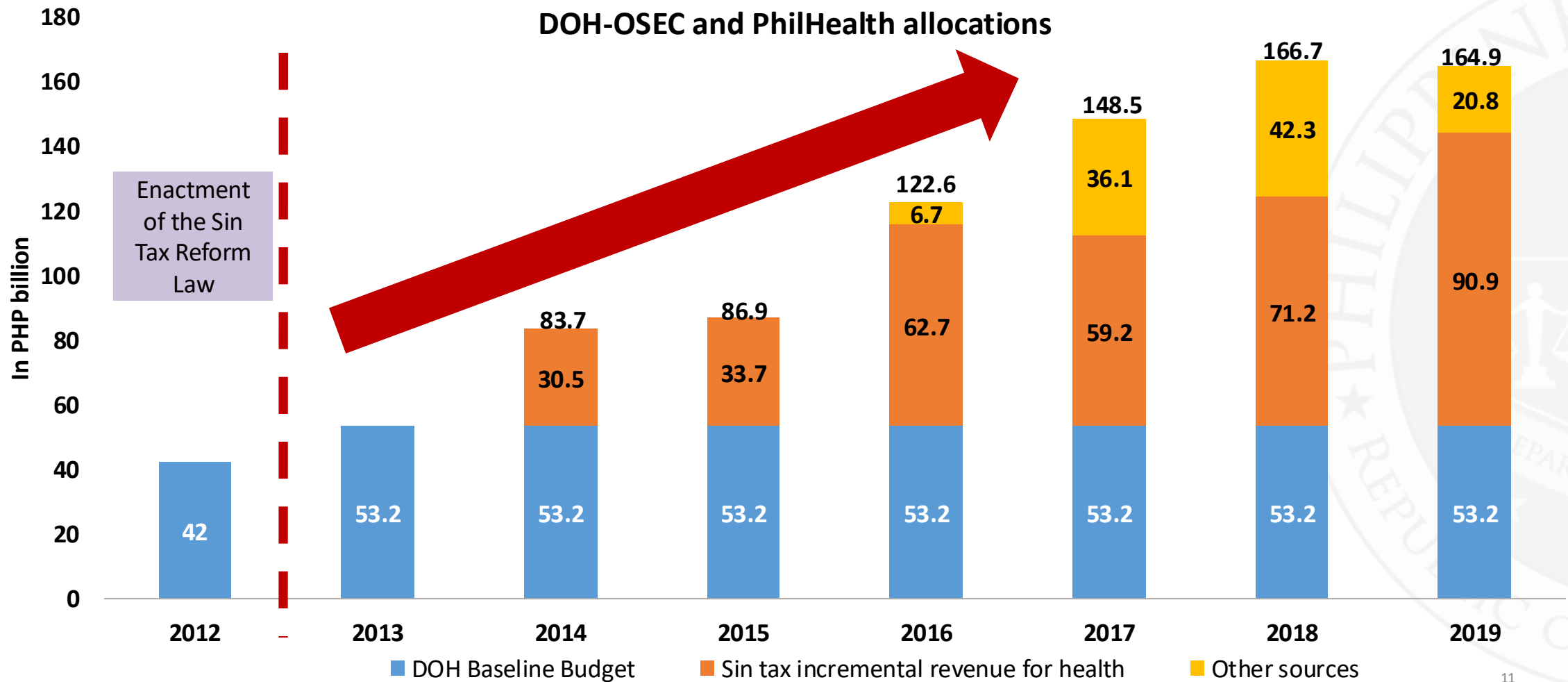
RAISE SIN TAXES
FOR UNIVERSAL HEALTH CARE!

Incremental revenues earmarked for health

“Soft-earmarked” a significant portion of incremental revenue from higher sin taxes went into funding Universal Health Care (UHC)

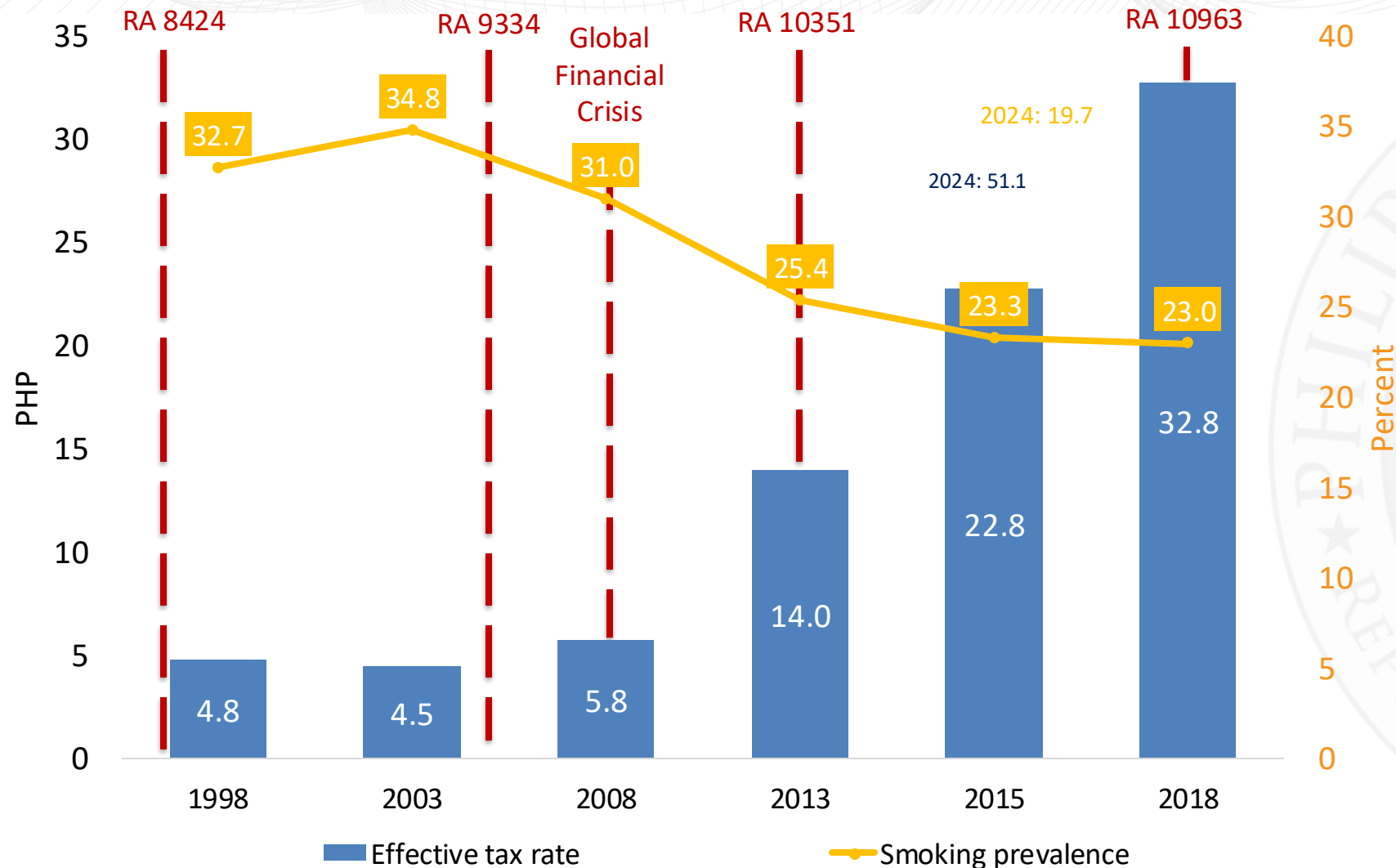


Wins from the reforms: Excise taxes have helped increase the budget for DOH and PhilHealth



Source: Department of Health (DOH)

Wins from the reforms: Smoking prevalence declined



Sources: Effective tax rate data from the Department of Finance;
Smoking prevalence data from National Nutrition Survey and Pulse Asia (2018)

Concluding remarks

Understand the mindset of Finance Ministry officials

1. Predictable revenues are important to us.
2. The budget needs to balance financing demands from various sectors, i.e. education, health, infrastructure etc.
3. Look at value for money. Universal Health Care can be a bottomless pit; thus the need for cost effectiveness and efficiency measures.
4. Accept fund earmarking as a pragmatic political economy option.

Thank you.

