

Title:

****Abakada Guro Party List v. Purisima: Challenging the Constitutionality of the Republic Act 9335****

Facts:

Republic Act (RA) 9335, known as the “Attrition Act of 2005,” aimed to enhance the revenue generation capability and collection efficiency of the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC) through a system of rewards and sanctions. This law established a Rewards and Incentives Fund and a Revenue Performance Evaluation Board within these agencies, based on reaching or exceeding revenue targets determined by the Development Budget and Coordinating Committee (DBCC). Officers and members of the Abakada Guro Party List, citing their taxpayer’s rights, filed a petition directly to the Supreme Court challenging RA 9335’s constitutionality on four main grounds: it transforms BIR and BOC officials into “mercenary” type officials, violates the equal protection clause, constitutes undue delegation of legislative power to the President, and the creation of a congressional oversight committee intrudes upon the executive’s domain.

The proceedings initiated by the petitioners moved directly to the Supreme Court as they invoked judicial review over the alleged unconstitutionality of RA 9335. Respondents, represented by the Office of the Solicitor General, defended the law’s constitutionality, arguing its necessity for public interest and dismissing the claims of it breeding mercenary-like behavior among tax officials, violating the equal protection clause, unlawfully delegating power to the President, and infringing upon the separation of powers doctrine.

Issues:

1. Whether RA 9335 unjustly converts BIR and BOC officers into “mercenaries” by offering incentives for exceeding revenue targets.
2. Whether RA 9335 violates the equal protection clause by solely applying its rewards and sanctions mechanism to BIR and BOC personnel.
3. Whether RA 9335 constitutes an undue delegation of legislative power to the President by lacking sufficient standards for setting revenue targets.
4. Whether the congressional oversight committee established under RA 9335 infringes upon the principle of separation of powers.

Court’s Decision:

1. ****On the Allegation of Creating “Mercenaries”:**** The Supreme Court held that RA 9335 does not turn BIR and BOC employees into “mercenary” types but instead aligns with the

public policy of optimizing revenue collection efficiency through a system of incentives, noting safeguards against abuse.

2. ****On the Violation of the Equal Protection Clause:**** The court found the law valid, reasoning that the BIR and BOC have unique, revenue-generating functions distinct from other government agencies, thus justifying the law's exclusive application to them.

3. ****On Unconstitutional Delegation of Legislative Power:**** The court upheld the constitutionality of the delegation of power to set revenue targets, pointing out that RA 9335 provides enough standards and guidelines, thereby not constituting an undue delegation of legislative power.

4. ****On the Congressional Oversight Committee:**** The court ruled Section 12 of RA 9335, creating a Joint Congressional Oversight Committee to approve the law's implementing rules and regulations, as unconstitutional, infringing on the executive's domain and violating the principle of separation of powers, while the rest of RA 9335 remains effective.

Doctrine:

The Supreme Court underscored the principle that a law challenging the constitutionality must show a clear and unequivocal breach of the Constitution. It reasserted the doctrine that the government's power to offer incentives for exceptional public service adheres to constitutional mandates, provided specific safeguards are in place. Moreover, it held that legislative creation of oversight committees to approve implementing rules after a law took effect is unconstitutional as it clashes with the separation of powers doctrine.

Class Notes:

- The challenge against the constitutionality of a law must clearly prove a violation of the Constitution.
- The equal protection clause permits the legislature to treat different classes differently if such classification has a reasonable basis.
- The delegation of legislative power is permissible if accompanied by sufficient standards or guidelines.
- The principle of separation of powers restricts legislative encroachment into executive functions, emphasizing that post-enactment legislative measures should be limited to scrutiny and investigation.

Historical Background:

RA 9335 was enacted as a legislative measure to address persisting issues in revenue collection performance of the BIR and the BOC. By instituting a system of rewards and incentives contingent upon the attainment of revenue targets, the law sought to enhance the

efficiency and accountability of revenue-generating agencies. The constitutional challenge against RA 9335, and the subsequent Supreme Court decision, highlighted crucial aspects of legislative policy-making, incentives within public service, and the boundaries of legislative and executive powers under the Philippine Constitution.