

## CREATING A TAX COMMISSION

*EXECUTIVE ORDER NO. 160, August 23, 1938*

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Whereas the tax system of the Philippines, national and local, is in some respects obsolete, does not distribute the tax burden equitably, and is proving, in its operation, inadequate to meet the present and prospective expanding needs of government;

Whereas in order to meet these increasing expenditures, to distribute the tax burden more nearly on the basis of ability of pay, and to facilitate the achievement of essential social objectives, it is necessary to effect a revision of the whole tax structure of the Philippines with a view to establishing an integrated and coordinated system which may be satisfactory as regards fiscal productivity, administrative feasibility, theoretical justice, and be better adapted to the political, economic and social conditions of the Philippines;

Whereas this revision is the more urgent because of the impending political and economic changes due to the operation of the Independence Act, requiring both fiscal and economic adjustments;

Now, therefore, I, Manuel L. Quezon, President of the Philippines, by virtue of the powers vested in me by the Constitution and the existing laws, do hereby create and constitute a commission to be known as the Tax Commission of the Philippines which shall be composed of seven members, appointed by the President from time to time, and representing not only the Executive and Legislative branches of the Government, but also private business.

It shall be the duty of the Tax Commission to study and make recommendations to the President on:

- (a) The probable annual fiscal needs of the Government during the coming ten (10) years with a view to providing the revenues which shall be sufficient to meet such needs,
- (b) A revision of the internal tax system of the Philippines, both to insure adequate revenues and a more equitable distribution of the tax burden, taking into consideration the probable effects of the Independence Act upon the several sources of public revenues;
- (c) Changes in the tariff laws to make more effective the assessment of customs duties and to aid economic adjustment and the development of Philippine industries;
- (d) The distribution of sources of revenue between the National Government and the provincial, municipal and city governments in order that each political unit shall be provided with revenues adequate for the performance of its functions;
- (e) A system of tax administration which will insure the proper enforcement of tax laws.

To enable the Tax Commission to carry out its functions, the Commission is hereby granted all the powers of an investigating commission, within the purview of Section 71 of the Revised Administrative Code, and is hereby authorized, subject to the approval of the President of the Philippines, to requisition for and make use of the services of the personnel of the Budget Office, Bureau of Internal Revenue, Bureau of Customs or any other officers or employees of the Government of the Commonwealth for the purposes of carrying out its mission. It

shall have access at all times to any document, data, papers, etc., in the possession of any Department, bureau, office or agency of the Government which may be necessary to aid it in its work.

Done at the City of Manila, this twenty-third day of August, in the year of Our Lord, nineteen hundred and thirty-eight, and of the Commonwealth of the Philippines, the third.

(Sgd.) MANUEL L. QUEZON  
President of the Philippines

By the President:

(Sgd.) JORGE B. VARGAS  
Secretary to the President

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