

The Philippines Tax Reform Acceleration and Inclusion (TRAIN) Law Triggers Mass Poverty. A Calamity Worse Than Yolanda

By [Prof. Phoebe Zoe Maria Sanchez](#)

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Worse than super typhoon Yolanda of 2013, is the calamitous effect of TRAIN Law on Filipino households today. Philippine's Duterte regime has implemented the horrible Republic Act No. 10963 otherwise known as the Tax Reform Acceleration and Inclusion (TRAIN) Law starting January this year. TRAIN Law expected to lessen taxes for poor earners had triggered a staggering inflationary condition in return. As a form of regressive taxation, TRAIN Law's exemption for income taxes at P250,000.00 and below has not lightened the burden of taxpayers and consumers as the extensive excise taxes on petrol and sugar-based products take away the supposed tax gains in return.

Since then the prices of crude oil has been raised 16 times and gasoline 15 times. Rice had jacked up to additional P11.00 this time, while meat products had increased by P50.00 more. Vegetables at P60.00 last January is now at P80.00 to P100.00 or a margin of P20.00-40.00 up per kilo. Electricity is again up this June by P00.80 per kilowatt hour.

Will Filipino households survive the next round of excise taxes and inflationary rates since TRAIN Law is a 5-package scheme for 3 years?

Prices of Commodities 6 months after TRAIN Law Implementation:

TRAIN Law started in Jan. 2018. This survey was conducted June 2, 2018, University of the Philippines Cebu, College of Social Sciences.

Items	New Prices (PHP)
Diesel	46.00/liter (from 24.00/liter)
Gasoline	52.00/liter (from 28.00/liter)
Rice:	
Sticky Rice (local)	100.00/kilo
Dinorado rice	70.00/kilo
First Class (Ganador)	54.00/kilo
Fancy Rice	48.00/kilo
Sinandomeng	44.00/kilo
Broken Rice	43.00/kilo
Corn Grits	45.00/kilo
Meat:	
Pork	210.00/kilo

Beef	250.00/kilo
Chicken	160.00/kilo
Goat	400.00/kilo
Fish products:	
Anchovy	100.00/kilo
Small Fish (Galunggong)	120.00/kilo
White Fin/Blue Fin	500.00/kilo
Grouper	600.00/kilo
Molmol/stone fish	100.00/kilo
Vegetables:	
Sayote	60.00/kilo
Carrots	80.00/kilo
Potatoes	100.00/kilo
Cabbage	80.00/kilo
Pechay	80.00/kilo
String Beans	65.00/kilo
Baguio Bean	70.00/kilo
Orange squash	30.00/kilo
Alugbati/Spinach	40.00/kilo
Okra	70.00/kilo
Malunggay	100.00/kilo
Broccoli	200.00/kilo
Cauli Flower	100.00/kilo
Eggplant	40.00/kilo
Condiments:	
Tomatoes	80.00/kilo
Spring Onions	100.00/bundle
Bulb Onions	100.00/kilo
Garlic	100.00/kilo
Ginger	100.00/kilo
Bell Pepper	140.00/kilo

Massive population of low-income earners and contractualized labour:

The Philippine government's most recent wage order **has pegged it to P366.00 on daily basis** (DOLE Wage Order No. 20). At the same time the mass of Filipino work force of about sixty (60) million are a mix of minimum wage earners, contractual labourers, and undocumented underemployed labour attached to the agri, agro-forestry, agri-fishery occupational lines of haggling bases, or the odd labor of carpentry, welding, laundry, driver, auto-mechanic, electricians, and other assorted work not covered in the formal industrial system (Ibon Foundation, May 2018). Hence, the TRAIN Law is not beneficial to the mass of the population but simply extracts from them what amount they could shell off for food and other inflation-driven items in the market.

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Prof. Phoebe Zoe Maria Sanchez is an Associate Prof. of History and Sociology at the University of the Philippines Cebu.

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