



Philippine Chamber of
Commerce and Industry
The Voice of Business



Statement of Support on Package 3

14 May 2021

We declare our strong support for the immediate passage of the Real Property Valuation and Assessment Reform Act or Package 3 of the Comprehensive Tax Reform Program.

We collectively agree with the intent of Package 3 in promoting the development of a just, equitable, and efficient real property valuation system through the introduction of the following reforms:

1. Adoption of a uniform valuation standard based on international valuation practices;
2. Establishment of a single valuation base for taxation and for other purposes;
3. Establishment of a comprehensive database to support real property valuation functions;
4. Centralisation of the approval of the Schedule of Market Values (SMVs); and
5. Strengthening of the valuation functions of the Bureau of Local Government Finance.

The adoption of a uniform valuation standard and establishment of a single valuation base will correct the present situation of having multiple and overlapping real property valuation that has resulted in confusion and brought about huge transaction costs for the public and foregone revenues to the government. Conflicting land values causes delay and conflicts in right-of-way compensation for public infrastructure projects, make doing business for investors difficult and risky, and stunt the growth of an otherwise vibrant land market.

The establishment of a central database of land transactions will make data available for better SMV setting. Regularly updated SMVs will ensure that real property goes to its highest and best use. This will also support the land use planning and zoning of Local Government Units.

Without the imposition of new or additional taxes, Package 3 will widen the tax base for property taxes and bring in additional revenues for both the national and local government units.

The proposed reforms under package 3 will enhance transparency and credibility in the valuation standards in the country, and confidence in the land market.

Ultimately, the Real Property Valuation Reform will benefit all.

We therefore call on the Senate for the immediate passage of this pending measure.

Signed:

American Chamber of Commerce of the Philippines, Inc.
Australia-New Zealand Chamber of Commerce Philippines
Canadian Chamber of Commerce of the Philippines, Inc.
European Chamber of Commerce of the Philippines
Institute of Philippine Real Estate Appraisers
Japanese Chamber of Commerce and Industry of the Philippines, Inc.
Korean Chamber of Commerce Philippines
Foundation for Economic Freedom
Philippine Chamber of Commerce and Industry
Philippine Institute of Environmental Planners
Rural Bankers Association of the Philippines
Social Watch Philippines