

THY WILL BE DONE by Atty. Angelo M. Cabrera

### Fighting corruption with technology

News came out last week about the plan of BIR Commissioner Kim Henares to do a process re-engineering of her agency that would allow taxpayers to do everything on the internet. The article said that the goal is to prevent its personnel from continuing with their alleged corrupt practices, such as delaying some stages of the process to ask money from the taxpayers or accept bribes in exchange for quick actions.

“Part of our objectives,” she said, “is to make tax compliance convenient to the taxpayers. We want to make the payment of taxes as easy as possible, and one of the ways of doing that is to enable the taxpayers to comply with their obligations without having to leave their offices or homes or even shell out cash in order to move our officers to do their jobs.” (Business Mirror, Sept. 17, 2012)

Wow. If that ain't good news. It's probably the best that has come out of BIR's press conference so far. For the most part, its weekly press conference has been devoted to exposing suspected tax evaders under its RATE program - Run After Tax Evaders. Perhaps the good commissioner should adopt another program and call it RACE - Run After Corrupt Examiners.

The plan is laudable, first, because it acknowledges a problem - an important first step - that the agency's processes are so flawed that its personnel can freely prey on taxpayers by deliberately delaying and imposing unreasonable requirements until they become so distraught that they look for a greasy way out.

Second, it is about time that government starts using technology to make it more convenient for its taxpaying citizens to transact business. After all, taxpayers pay for government to run. At the very least, government must ensure that its systems and procedures are effective, efficient and more importantly, citizen-friendly and not deliberately made cumbersome and tedious to encourage under-the-table dealings.

Take the case of the estate tax return that we filed for the estate of my late mother early this year. Apart from having to call or go to the revenue district office repeatedly, we had to deal with different personnel each time with each asking for different requirements. The problem is that there seems to be no standards in place as each personnel is given wide latitude to impose requirements over and above those listed in the BIR website, invoking the overarching fine print, *“Additional requirements may be requested for presentation during audit of the tax case depending upon existing audit procedures.”* Clearly, there is a need to streamline the process and remove this all-encompassing authority to impose additional requirements.

The problem is that some of these requirements are clearly frivolous. For instance, why require the birth certificates of all heirs when they have already declared their filiation under oath in the deed of extra-judicial settlement? Besides, filiation has nothing to do with estate taxation as estate tax is imposed on the value of the estate regardless of who or how many heirs there are.

Why require an NSO copy of the death certificate when there are other documents that clearly establish the fact of death such as the original copy of the death certificate, the copy of the newspaper publication announcing the death, and the funeral expense receipts in the name of the estate of the deceased? Why, in heaven's name, are the heirs being asked to prove that they are required to pay taxes?

Why require a certificate of property holdings issued by the register of deeds in the far away province of the deceased when the heirs have already made the same declaration in the estate tax return? Why assume that the heirs would withhold such information when doing so would only result in surcharges and penalties by the time that another return is belatedly filed for properties not previously declared? Besides, there are enough safeguards to ensure tax compliance, such as the prohibition against transfers of titles without payment of taxes.

All these information are already in the hands of various government agencies so it really requires nothing more than an intra-government coordination to verify them. This is where technology can come in. By integrating the information systems of all agencies of government, their respective data can be shared and accessed to make information readily available between and among these agencies thereby removing the burden on taxpayers to produce these information at great inconvenience and eliminating opportunities for dark alley transactions. It goes without saying that the integrity and security of all data and information and the use of the same strictly for lawful purposes must be guaranteed and protected at all cost.

The use of technology to fight corruption and encourage tax compliance is a step in the right direction... especially if taxpayers won't have to step out of the comfort of their homes or offices.