

A Critique of the Proposed System of Gross Income Taxation

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SUBJECT(S): TAXATION

KEYWORD(S): NET INCOME TAXATION, GROSS INCOME TAXATION

The main objective of the Article is to answer whether or not the Philippines should adopt the proposed system of gross income taxation instead of net income taxation.

In answering this issue, the Author gives a short run down of the basic concepts in income taxation that are relative to the subject matter. He gives the definitions given by jurisprudence to taxation, income, gross income and net income.

The Author then analyzes the gross income tax system. He subjects the proposed gross income taxation to the tests of tax uniformity, equal protection clause, due process. To support his analysis, the Author also cites the position taken by Commissioner Plana and Adam Smith's *Wealth of Nations*.

After the analysis, the Author arrives at the conclusion that net income taxation be retained. He also offers several recommendations to improve the current system.