
The Study on How Tax Reform for Acceleration and Inclusion Law (TRAIN) Affects Low-Income Class Families in Manila

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Abstract

This quantitative research is made to investigate the effect of Tax Reform for Acceleration and Inclusion (TRAIN) Law in 100 low income individuals in Tondo, Manila. The examines the effect of the increase and decrease of expenditures on Utilities, Public Transport, Non-Essential Goods and Sugar Beverages in their Disposable income when the TRAIN was implemented. This study finds the effect of Train law using a multiple regression model that the respondents residing in Tondo, Manila were affected positively and negatively by the implementation of TRAIN Law.

Keywords: Tax reform, low-income class, poverty

Introduction

On January 01, 2018, The Tax Reform for Acceleration and Inclusion (Train) Act took effect. They were the Comprehensive Tax Reform Program (CTRP). According to Layug (2018), since the implementation of President Duterte's TRAIN Law, several sectors have considered that this law is a "burden" on the poor. According to TINDIG PILIPINAS, the TRAIN crash has created unspeakable sufferings among the poor due to more significant inflation, impacting rice, fish, and all types of vegetables, resulting in price inflation and economic stress for the poor. Furthermore, according to Cruz (2018), where Rep. Alejano is quoted, price increases, particularly for essential goods, have disproportionately impacted the impoverished Filipinos. The researchers decided to study the foremost vital issues and the effects of TRAIN law on low-income class families in Manila. According to The Borgen Project, the researchers chose low-income families in Manila because the city has 3.1 million homeless people. Furthermore, approximately 1.2 million children are homeless in the Philippines, with more than half residing in Manila.

According to a prior study conducted by Jason Furman (2006) titled “Tax reform and poverty,” the tax system has a significant impact on poverty because it impacts the incentives for economic actions such as working and saving and the distribution of funds for societal progress. Tax Reform for Acceleration and Inclusion (TRAIN) TRAIN will reduce personal income tax (PIT) for all taxpayers except the wealthiest. Those with taxable income of less than P250,000 will be exempt from paying PIT, while the rest of the taxpayers, except the most affluent, will see lower tax rates ranging from 15% to 25% by 2020. Any tax reduction must involve a compromise, such as moderate-income families and any means-tested program. As tax cuts and transfers are removed, a higher subsidiary rate results in a well-targeted cost-effective scheme. PWD as dependent and Foster Child as dependent have income tax exemption.

In terms of automobile excise tax, it is said that a hybrid car is a vehicle that uses electric energy in conjunction with gasoline, diesel, or any other motive power to propel itself from a standstill. However, pick-up trucks and electric automobiles are also tax-free vehicles. Moreover, numerous sectors from agriculture, health, environment, housing, education and arts, electricity, industry, and others have the right to VAT exemption. The primer on TRAIN Law as of March 13 is available for the public for readings. The bracket in which people or sectors are included or excluded from tax can be found on legitimate and credible sources on the internet.

The administration proposed an alternative strategy to reduce the nominal rates. The administration proposed an alternative method for lowering the low rates entrenched in the tax and transfer systems. This strategy would be of limited assistance to low-income households. Taxes would most likely be reduced, but payments to lower-income families would be increased without increasing marginal rates. The alternate strategy proposed is both ineffective and costly.

The researcher’s objectives are to determine the views and opinions of low-income class families on TRAIN Law. Defining the different impacts and inequalities of the Middle-class, specifically, the Low-income class families from the government implemented a policy in promoting growth. Thirdly, figuring out their underlying commonalities and how these have caused the ever-expanding tax battle on poverty and determine if researchers can infer the views and insights of the Filipinos, especially the low-income class families. Additionally, considerable information to allow responsive solutions and mindfulness to the other individuals and the government concerning approximately the impacts that Train law is giving to the low-income class families and how it is advantageous to the Filipino people (Alama, 2019).

This research is all about the point of view and response of the low-income families Residing in Manila about implementing TRAIN law. Its purposes were to raise income for the government’s social services and infrastructure programs. TRAIN law diminished individual salary taxes after 20 years of non-adjustment of tax rates. Still, it forced higher excise taxes on automobiles, petroleum items, tobacco, sugar-sweetened refreshments, and other non-essential merchandise (Simmler, 2012). The lawmakers expect that with the people’s support, all these changes will eventually result in lower costs, more work openings, and a brighter future for each Filipino in the Philippines.

This study is essential since TRAIN Law aims to relieve most income earners and their beneficiaries. This study can explain and understand what TRAIN Law is all about to many families. After finishing this study, we can conclude if this law is beneficial or would make many families' lives worse or harder.

2. Review of Related Literature

2.1 TRAIN LAW

They said that the first package of the Tax Reform for Accelerated Inclusion (TRAIN 1) Law took effect in January 2018. This focuses on income brackets and personal income tax rates, excise tax rates, value-added tax coverage, and personal income taxes lowered for most taxpayers and raised for the higher-income individuals. The commodities covered by excise tax adjustments are fossil fuels, petroleum products, automobiles, and sugar-sweetened beverages. (Castillo, Clarete, Muyrong, and Tuaño 2019). The literature on taxes and public funds, for the most part, centers on incomes, an effectively perceptible and generally accessible variable, as the observable degree of tax policy. (Scartascini, 2013). The initial results show that the excise tax component within the TRAIN 1 would have a slight effect in terms of sectoral output and prices, resulting in family welfare through livelihoods and employment, and carbon emissions. Energy-intensive sectors would see a slight decline in production, and there would be a small increment in poverty given increased costs (Castillo, Czar Joseph; Clarete, Ramon; Muyrong, Marjorie; Tuaño, Philip. 2019).

To reconcile human freedom with equality, Rawls suggests that each individual be free to pursue happiness while also allowing the poorest or most marginalized to benefit from products generated in a property-owning socio-economic framework (Maboloc, 2018). What is the connection between analyzing John Rawls' theory of justice and our efforts to explain the factual, legal, and ethical concerns surrounding the state's taxing power, particularly regarding the TRAIN law's implementation? This is significant because John Rawls believes that social institutions' first and most crucial function fosters fairness. Indeed, for him, the primary virtue of social organizations is justice (Rawls, 1971). According to John Rawls, the state is critical in guaranteeing that everyone has equal rights and opportunities. As a result, the state has the authority and responsibility to draft and implement laws and policies to ensure that people's rights and options are preserved and distributed equitably.

In addition, environmental advocates praised the TRAIN Law's passage and implementation. The government and municipalities would both benefit from higher taxes on coal because it incentivizes people and communities to make a shift to renewable sources, which are considered to be more cost-effective, environmentally responsible, and preferable alternatives to coal. The Philippines' corporations and industries, especially those that engage in pollution and resource exploitation, have a significant role in incorporating sustainable development into their business strategies, as pollution and resource extraction harm the planet and all its inhabitants (Lectura, 2017).

Many employees are earning compensation income now, like immunity from revenue enhancement, so long as their income does not increase to P250,000 or approximately P20,833.33 a month (Bayod, 2021). Under Philippine law, the minimum wage earners earn within this income bracket. Under the 2012 family Income and expenditure (FIES), those who made this income story are considered low-income earners but not weak. The per capita income between the poverty demarcation and twice the poverty cable (Bonghanoy, Bueno 2019). Enactments relating to the increase in the people's purchasing capacity decrease in the personal income tax. However, the undesirable effect relates to the feeling of a stable and even worse living situation since the increase in income is countered by the increases in the prices of the goods and services, including the essential items (Bonghanoy, Etcuban, Bueno, Medio, Capuno, & Capuyan, 2019).

Because they are not subject to personal income tax, those who make P250,000 or less each year are the "true big winners," according to Abrea Consulting Group founder Raymond Abrea. Those with an annual income of P8 million, on the other hand, are subject to a 35 percent income tax rate. Thus, everyone, particularly the poor, would suffer due to rising costs for products and services. However, according to Abrea, everyone must "make certain compromises to make the system work" ("Winners and Losers," 2017).

TRAIN law is now operational, and pay workers are now encountering the advantages of expanding take-home pay. In contrast, the poor, who are also non-wage earners, have already received the unconditional cash transfer, which will assist them in the price increase of commodities (Suan & Bayod, 2021). Tax sugar-sweetened refreshments were presented within the House of Representatives and combined into a proposed thorough Tax Reform for Acceleration and Inclusion (TRAIN) Bill to extend the probability of acceptance. The approved TRAIN Law embraced the term sweetened refreshment that the assessment covers both sugar and non-sugar sweetened refreshments. This discussed the significance of the rise in excise tax rates for fossil fuels and other policy shocks under TRAIN 1 on poverty and employment. The poor are among the most critical development problems, and keeping track of how these indicators react to economic shocks is imperative in policy discussions (Castillo, Clarete, Muyrong, and Tuaño 2019).

The public is split on whether the TRAIN Law is good or harmful for them, which is understandable. Those who believe they obtain a net benefit will, of course, praise the advantages of the law. Those who are affected by the law's negative consequences will argue otherwise. However, much-better government services, resulting from greater revenue collection efficiency rather than tax rises, would undoubtedly be welcomed. In general, the positive macroeconomic indicators indicate that the Philippines is on the right track in implementing its tax reforms. Of course, other fiscal initiatives could have contributed to these positive results. In any case, the collateral harm — resulting from higher prices for essential goods — appears to be accurate and should be adequately monitored and addressed. (Santiago, 2018).

2.2 Tax Policy Toward Low-Income Families

Romich and Weisner (2000) interviewed 42 low-income, single-parent families participating in a welfare-to-work program in the mid-1990s about how they spent their EITC and what benefits they felt they received. According to the majority of responders, the reimbursement provided significant financial relief. Many recipients desired to preserve a portion of their refund, and those who did so usually had a substantial financial objective in mind, such as buying a home.

Duncan, Huston, and Weisner (2007) examined how respondents used non-EITC wage supplements and other in-kind benefits provided by a welfare-to-work program based on data collected from the same 42 respondents. According to the participants, these supplements and benefits aided their efforts to parent their children appropriately. They had more financial leeway, for example, to choose the type of school (parochial rather than public) that they thought would be best for their children. Duncan and colleagues (2007:86–87) also discovered that “parents and children [who received these benefits] generally took great pride in being typical consumers—going to the mall or a fast-food restaurant, buying new clothes rather than thrift store specials, buying furniture, or purchasing a reliable used car.”

Tax Reform for Acceleration and Inclusion Law significantly impacts low-income families (Sykes, Križ, Edin, & Halpern-Meekin, 2015). Emphasized that money has meant that shapes its employment and social importance, counting the money low-income families draw on for survival: compensation, welfare, and the earned income.

Poverty is associated with bigger family size, lower educational achievement, and engagement in agricultural activities, as established in the literature. In 2009, for instance, 62% of the households headed by someone who did not go to school were poor, while only 9.2% of those who have reached college are. Worse, the poverty rate among the uneducated is rising. Agriculture-related occupations have always been associated with being income poor. (Reyes, 2012). However, the taxes can also reduce the quantity demanded, increasing the average total costs leading to an increase in prices that can be higher than the amount of the taxes. It indirectly influences Train law due to the rise in commodities prices that significantly affects the below minimum wage earners' spending behavior and those below the poverty line (Calcharo, 2015).

The Earned Income Tax Credit (EITC), which was established in 1975, is one of the few governmental measures that has enjoyed bipartisan support in the past. The credit is only available to low-income households with working members. One of the essential features of the credit is that it is refundable, which means that even if a family does not owe any taxes, they can still get a transfer—the Child Tax Credit (CTC), first implemented in 1997, credits households with children. However, because CTC eligibility extends to families with earnings up to \$110,000, it is less targeted towards the poor than the EITC. In 2013, the combined EITC and CTC tax expenditures were more than 120 billion dollars (Auerbach & Smetters, 2017).

According to the Commission on Taxation (2009) report, they will play a crucial part in the future arrangement. One expectation is that if there will be returns to be raised, it will need to be done in one or both of two ways. The first is to broaden the base taxation, expanding the great benefits and exercises incorporating a charge. Moreover, the others would increment its rate on the existing assessment base, whereas a shortfall decrease occurs on the income or investing side.

Investing lessons is difficult in popular mechanical governments. Subsequently, expanding income measures will play a critical part in shortfall easing (Daly, Arnold, Burke, Collins, Convery, Donohue, 2009).

The tax assessment is a noteworthy wellspring of government income. There is a sort of tax assessment in day-to-day financial matters, for example, deals, administration expenses, and ventures imposed. The administration income is insufficient to back government spending; the legislature may build the expense rate or execute another tax. Malaysia is considering changing the country's expense framework by presenting a Merchandise and Enterprises Assessment intended to supplant the Deals and Administrations. Expense utilized in the nation for quite a few years to deliver more income is a utilization assessment forced on merchandise offers (Asmat, I., 2015).

These changes have fortified government accounts and healthcare, improved elections' quality, and incredibly advanced governance and strife determination within the southern Philippines. (Sidel, 2014).

The researchers analyze the changes in child benefits in Canada to consider family income on child and family well-being. Using various child benefits over the province, time, and family type, we believe results traversed test scores, physical well-being, and hardship measures (Milligan, Stabile, 2011). Incomes depend on numerous determinants other than the government's political will and policy objectives. Subsequently, whereas a few of these measures are decided by policy, others are not. One way to understand the political instruments behind tax changes is to look at policy changes instead of results (Focanti, Hallerberg, & Scartascini, 2013).

The Computable Common Equilibrium-Top-Down Behavioral Microsimulation was utilized to understand the tax reform's significance on macroeconomic and microeconomic levels (Dizon, 2021). The most critical part of fiscal policy concerning development is to guarantee macroeconomic steadiness. However, despite two exceedingly specific tax reform programs in less than two decades, the Philippines is presently in the middle of a financial emergency (Diokno, 2010). The Goods and Services Tax (GST) is one of the main noticeable subjects. The declaration within the Budget 2010 on GST usage had different responses from specialists, academicians, the general public, and most important, businesses (Mansor, Nor Hafizah and Ilias, Azleen, 2013).

As of now, the TRAIN law is powerful, and pay workers are now encountering the advantages of increasing take-home pay. In contrast, the poorest of the poor, who are also non-wage earners, have already received the unconditional cash transfer, which will assist them in the price increase—giving the notion that the Philippine Government is doing what it can to provide and help individuals from marginalized groups and below the poverty line (Suan, 2021). Low-income families tend to share and endure hazardous public environments. Train law also seeks to alleviate these concerns by focusing on the fundamental problem of the economy, less infrastructure resulting in few jobs availability (Nye, 2011). Those living in the slums or households that are currently living beneath the poverty line significantly affect their way of

living since they cannot afford to have accessible commodities before the approval of RA 10963 (Monnin, 2014).

2.3 Synthesis

Increasing revenues from this law will affect low-income families. Finance Secretary Carlos Dominguez III overhauled its outdated tax system to make it simpler and fairer. More efficient via the enactment of the Tax Reform for Acceleration and Inclusion Act (TRAIN) starting this year and the funding support for education and infrastructure modernization are among the most significant achievements of President Duterte in 2017 (Tax Reform Department of Finance, 2018).

Numerous people have benefited from it through increased tax returns, increased earnings, stock options, bonuses, and lower utility expenses, among other things. Nevertheless, according to the state-run think tank Philippine Institute for Development Studies, the increased excise on oil products and other goods and services imposed under the Tax Reform for Acceleration and Inclusion (TRAIN) Act pushed more Filipinos into poverty (PIDS). A few TRAIN excise taxes were enacted to benefit the wealthy sector of society at the expense of the poor. Reduced donor taxes and inheritance taxes helped numerous wealthy donors, but elite families and the disadvantaged sector of society ultimately lost out on this tax reform package.

2.4 Conceptual framework

From the research, the conceptual framework aids in understanding the relationship between the families that earn P20,000.00 and below and factors that affects our economy, which includes the independent variable we hypothesize as negative contributing factors such as the Tax Reformation for Acceleration and Inclusion Law (TRAIN) and also positive contributing factors such as to elevate the low-income families, eradicate poverty and enabling universal health care access that is initiated policies to the issue.

Research Method

Data Gathering Method

According to Crossman, 2020 stated that a purposive sample is a non-probability sample selected based on the characteristics of a population and the study's objective. Purposive sampling differs from convenience sampling and is also known as judgmental, selective, or subjective sampling. This type of sampling can be advantageous when you need to reach a targeted sample quickly and where sampling for proportionality is not the primary concern. The data collection method used in this study is data from people with diverse backgrounds to have different conclusions and information.

100 individuals will be surveyed from low-income class families residing in Tondo, Manila. The low income class family are individuals who have continuously been within or below the poverty line through the self-administered survey using Google Forms.

Study Site

“The Study of How Tax Reform for Acceleration and Inclusion Law (TRAIN) Affects Low-Income Class Families” will be conducted in the vicinity of Tondo, Manila. The location is considered one of the most expensive cities to live in Southeast Asia. A new study in six of Southeast Asia’s well-known cities uncovered that Manila, the capital city of the Philippines, has the third most costly typical cost for essential items and the least standard compensation. Its population starting the 2015 Census is 1.78 million, making it one of the crowded cities in the Philippine archipelago. Moreover, according to The Borgen Project, more than 1.2 million children are homeless, and over half of these are found in Manila. Considering that Manila is the national capital region, the center of commerce and businesses, and one of the most populated regions in the Philippines,

The researchers decided to conduct their study in the said place to get more precise and more concrete results.

SURVEY QUESTIONS:

The Study on How Tax Reform on Acceleration and Inclusion Law

Note - If you are earning P20,000 and above per month, kindly exit this survey. (Kung ikaw ay kumikita ng P20,000.00 pataas kada buwan, maari mo nang isara itong survey)

- I. Name (Pangalan)
- II. Age (Edad)
- III. Number of members in the family (Bilang ng miyembro sa pamilya) *

- 1-3 members (miyembro sa pamilya)
- 4-6 members
- 7-10 members
- 10 or more (10 o higit pa)

- I. Monthly Income range (Buwanang Kinikita) *

- P 5,000 and below (P5,000 at mababa pa)
- P 5,001- 10,000
- P 10,001- 15,000
- P 15,001- 20,000

Information: Tax Reform for Acceleration and Inclusion (TRAIN) as Republic Act No. 10963, aims to make the Philippine Tax System simpler, fairer, and more efficient to promote investments, create jobs and reduce poverty. (Ang Tax Reform for Acceleration and Inclusion (TRAIN) bilang Republic Act No. 10963, ay naglalayong gawing mas simple, patas, at mas mahusay ang Philippine Tax System para isulong ang mga pamumuhunan, lumikha ng mga trabaho at mabawasan ang kahirapan.)

1. How much is your Disposable Income (such as spending for food, electricity and water) before the TRAIN law? (Magkano ang iyong panggastos para sa pagkain, sa kuryente at tubig noong hindi pa ipinapatupad ang TRAIN LAW?) *
2. How much is your Disposable Income (such as spending for food, electricity and water) during the TRAIN law was implemented? (Magkano ang iyong panggastos para sa pagkain, sa kuryente at tubig nang naipapatupad na ang TRAIN LAW?) *
3. How much do you spend per month on public transportation before the TRAIN Law was implemented? (Magkano ang iyong ginagastos kada buwan sa pampublikong transportasyon noong hindi pa naipapatupad ang TRAIN Law?) *
4. How much do you spend per month on public transportation during the TRAIN Law was implemented? (Magkano ang iyong ginagastos kada buwan sa pampublikong transportasyon nang naipapatupad ang TRAIN Law?) *
5. How much do you spend per month on non-essential goods before the TRAIN Law was implemented? (Magkano ang iyong nagagastos kada buwan sa mga iyong kagustuhan o non-essential na kagamitan noong hindi pa ipinapatupad ang TRAIN Law?) *
6. How much do you spend per month on non-essential goods during the TRAIN Law was implemented? (Magkano ang iyong nagagastos kada buwan sa mga iyong kagustuhan o non-essential na kagamitan habang naipapatupad na ang TRAIN Law?) *
7. How much do you spend per month on sugared beverages before the TRAIN Law was implemented? (Magkano ang iyong nagagastos kada buwan sa mga matamis na inumin noong hindi pa ipinapatupad ang TRAIN Law?) *
8. How much do you spend per month on sugared beverages during the TRAIN Law was implemented? (Magkano ang iyong nagagastos kada buwan sa mga matamis na inumin habang naipapatupad na ang TRAIN Law?) *

Data Analysis Method

TREATMENT OF DATA OR ECONOMETRIC MODEL

This research will utilize a multiple regression model to test the hypothesis and to prove if there is a relationship between the independent variables and the monthly income which is our dependent variable for the study.

The Multiple Regression Model is:

$$M_Y = B_0 + \beta_1 UTILITY_EXP01 + \beta_2 PT_EXP01 + \beta_3 NONESS_EXP + \beta_4 SUGAR_EXP01 + \mu_i$$

where:

M_Y= Monthly Income

UTILITY_EXP01= Utility Expenses per month

PT_EXP01= Public Transportation Expenses per month

NONESS_EXP = Non-Essential Goods Expenses per month

SUGAR__EXP01= Sugar Beverages Expenses per month

μ = error term

The Econometric Model will undergo Heteroskedasticity Test (Breush-Pagan-Godfrey) to assess the residuals for errors and presence of heteroskedasticity. Heteroskedasticity refers to situations where the variance of the residuals is unequal over a range of measured values which is common in primary data analysis.

CHAPTER 4

PRESENTATION, ANALYSIS, AND INTERPRETATION OF DATA

This chapter covers the production, analysis, and interpretation of data and includes the discussion of results on the Study of How Tax Reform for Acceleration and Inclusion Law (TRAIN) Effects Low Income Class Families in Manila

4.1 DEMOGRAPHICS & DESCRIPTIVE STATISTIC

Age of the Respondents

The age range of the respondents, ranging from 19 to 50 years old, with the majority of responses coming from those aged 22 to 34.

Number of members in the family

Number of members in the family (Bilang ng miyembro sa pamilya)

100 responses

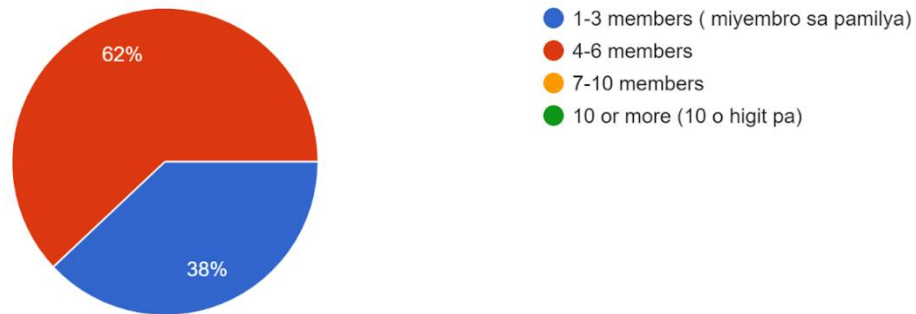
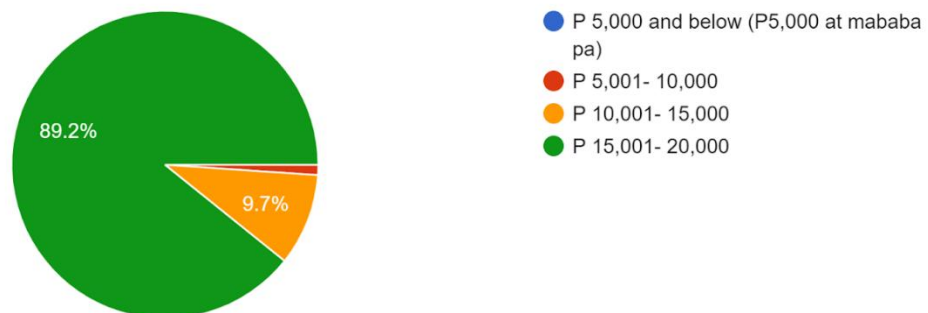


Figure 1 depicts the number of family members: 38 percent have 1 to 3 members and 62 percent have three to six.

Monthly Income Range

Monthly Income range (Buwanang Kinikita)

93 responses



The monthly income range of the respondents is represented in Figure 2. 89.2 percent of respondents have a monthly income of P15,001 to P20,000, 9.7 percent have a monthly payment of P10,000 to P15,000, and 1% have a monthly income of P5,001 or less.

4.2 ECONOMETRICS

I. REGRESSION RESULTS

Monthly Income (19014.61) = -149.7680 * (Utility Expenses per month) + 1406.327 * (Public Transportation Expenses per month) + 80.13104 *(Non-Essential Goods Expenses per month) - - 295.9802* (Sugar Beverages Expenses per month)

Interpretation:

The 19 percent increase in the monthly income of Low Income Families results in decreased spending on essential goods and utilities by 14 percent and on Sugar Beverages by 29 percent. But, there is an increase of spending on public transportation expenses by 15 percent and Non-essential Expenses by 8 percent. (See Table 1)

I. HETEROSKEDASTICITY TEST

The econometric model shows that the p-value of the test is 0.56 , which is greater than 0.05. This means that heteroskedasticity is not present in the data. This also implies that the variance is constant and unrelated. (See Table 2)

CHAPTER 5

SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

This chapter presents the summary of findings and conclusions derived in the conduct of the study, which is if TRAIN Law has an impact on Low-Income Class Families in Residing in Manila. It also provides recommendations that future researchers can pursue and study further.

The researchers conducted their study within the vicinity of Tondo, Manila. The respondents were selected via the use of purposive sampling. It employed quantitative research and utilized a self-made questionnaire and conducted using Google Forms. The study surveyed 100 low income individuals in Tondo, Manila.

The econometric model finds that the 19 percent increase in the monthly income of Low Income Families results in decreased spending on essential goods and utilities by 14 percent and on Sugar Beverages by 29 percent. But, there is an increase of spending on public transportation expenses by 15 percent and Non-essential Expenses by 8 percent.

The TRAIN Law benefits the Low Income Families in increasing their income that is useful to decrease their expenses on their daily needs and sugar beverages. It is beneficial in the short run. But, the increase of excise tax on gasoline every year is not proportionate with the decrease of income tax. This leads to inflation in the long run and may deeply affect even the low income earners expenses on utilities.

The TRAIN Law's primary purpose is to provide additional funds to the government to provide other infrastructure and programs that can boost the economy and provide additional employment opportunities. But, increase of prices in the essential goods and petroleum due to the additional or increase in the excise tax provided from the TRAIN Law affects the low income families.

The respondents residing in Tondo, Manila were affected positively and negatively by the implementation of TRAIN Law, which is beneficial to them even though they are within the Low-income class bracket. This indicates that the effects of TRAIN Law seem tolerable to those in the Low-Income class and can have buying power for their day-to-day goods and necessities such as food, water, utility bills and sugary beverages.

This study revealed the impact and effectiveness of TRAIN Law towards the low-income class, and thus following recommendations based on the conclusions and findings of the present study are stated as follows:

1. Since the implementation of TRAIN Law was accepted in the Low-income Class, the Government should prioritize stressing the infrastructures and programs that benefited from TRAIN Law so that there would be a sense of transparency and credibility for the law and would be able to strengthen its foundation in future research.
2. There should be a sense of decency from the government to facilitate amendments and interfere from the ever-changing increase in prices of goods and services in the country due to inflation and be able to provide intervention in the law when it is deemed necessary using postponing excise tax from necessity that is constantly rising from various factors that the government can't handle.
3. Future researchers should focus more on learning the effectiveness of TRAIN Law to those within the middle of the upper-income class to determine if the law only affects those in the poverty sector or those in the low-income category.

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