

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Diliman, Quezon City

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL No. **1446**

Introduced by:
HON. MAURICIO C. DOMOGAN

EXPLANATORY NOTE

The Bill seeks to amend Section 10(1) and Section 11 of Republic Act 7156, otherwise known as the Mini-Hydroelectric Power Incentive Act.

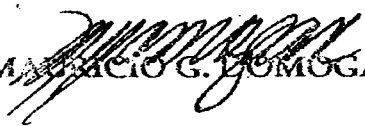
Section 10(1) pertains to the collection of special privilege tax due from mini-hydroelectric power developers in the amount of two per cent (2%) from the gross receipts from the sale of electric power and from transactions incident to the generation, transmission, and sale of electric power.

Section 11 of the same Law likewise pertains to the disposition of the said special privilege taxes. Sixty percent (60%) of such privilege tax paid by the taxpayer shall accrue to the host local government units and the remaining forty percent (40%) to the National government-both made payable to the Commissioner of Internal Revenue or his duly authorized representative on or before the 20th day of the month following the end of such calendar or fiscal quarter.

While it is true that the said provision states that sixty percent (60%) of the said special privilege taxes collected shall accrue to the host local government units, if not all, are not receiving the said share. This is because under Section 10 of the said law, the said special privilege taxes are being paid to the Commissioner of Internal Revenue or his duly authorized representative and therefore being remitted to the National Treasury of the National Government. As to when the local government units will receive their share, we do not know. This is possibly one of the reasons why there are many people in the countryside who are not supportive of the development of hydroelectric power in their areas despite the good potentials that they have.

The foregoing situation is unfair. It is therefore, urgent that the above mentioned Sections of this Law be amended to correct this unjust situation and to give to the host local government units what is due them as their share from the said Special Privilege taxes being paid by the hydroelectric power developers.

Approval of this measure is hereby strongly sought.


MARICEL G. LOMOGAN

Republic Of The Philippines
HOUSE OF REPRESENTATIVES
Diliman, Quezon City

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3773

Introduced by
HON. MAURICIO G. DOMOGAN

AN ACT AMENDING SECTION 10(1) AND SECTION 11 OF REPUBLIC ACT 7156
OTHERWISE KNOWN AS THE "MINI-HYDROELECTRIC POWER
INCENTIVE ACT"

Be it enacted by Senate and House of Representatives of the Philippines in Congress Assembled:

SECTION 1. - That Section 10, paragraph 1 which reads as follows

"Section 10. Tax Incentives - the tax payable by grantees to develop potential sites for hydroelectric power development shall be granted the following tax incentives or privilege:

(1) Special Privilege Tax Rates- The tax payable by grantees to develop potential sites for hydroelectric power to generate, transmit and sell electric power shall be two percent (2%) of their gross receipts from the sale of electric power and from transactions incident to the generation, transmission and sale of electric power. Such privilege tax shall be made payable to the Commissioner of Internal Revenue or his duly authorized representative on or before the 20th day of the month following the end of each calendar year or fiscal quarter;"

Be amended as follows:

Section 10.- x x x

(1) x x x

x x x

Sixty percent (60%) of such privilege tax shall be paid by the taxpayer directly to the host local government unit as its share and the remaining forty percent(40%) shall be made

1 payable to the Commissioner of Internal Revenue or his duly authorized representative on or
2 before the 20th day of the month following the end of each calendar or fiscal quarter.

3 SECTION 2 That Section 11 of the same R.A. 7165 which reads as follows:

4 "Section 11. Disposition and Allotment of Special Privilege Taxes If the Mini-
5 hydroelectric power development is located in a city, sixty percent (60%) of the
6 special privilege taxes collected shall accrue to the city and forty (40%) to the
7 National Government.

8 If the mini-hydroelectric power development is located in a municipality,
9 thirty percent (30%) of the special privilege taxes collected shall accrue to the
10 municipality, thirty percent (30%) to the province and forty percent (40%) to the
11 national Government".

12 Be amended likewise as follows:

13 Section 11. "Disposition and Allotment of Special Privilege Taxes - If the mini-
14 hydroelectric power development is located in a city, sixty percent (60%) of the special
15 privilege taxes collected shall accrue to and shall be paid by the taxpayer directly to the
16 treasury of the city and forty percent (40%) to the National Government.

17 "If the mini-hydroelectric power development is located in a municipality, thirty
18 percent (30%) of the special privilege taxes collected shall accrue to and be paid by the
19 taxpayer directly to the municipality, thirty percent (30%) shall likewise be paid by the
20 taxpayer directly to the province, and the remaining forty (40%) to the National Government"

21 SECTION 3. All laws, executive orders, decrees, rules and regulations or parts thereof
22 which are inconsistent with any of the provisions of this Act are hereby repealed or modified
23 accordingly.

24 SECTION 4 This Act shall take effect upon approval.

Approved.