

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
First Regular Session

House Bill No. 2961



Introduced by HON. MIKEY MACAPAGAL ARROYO

AN ACT
IMPOSING TAXES ON IDLE AGRICULTURAL, RESIDENTIAL AND
INDUSTRIAL LANDS, PROVIDING PENALTIES FOR VIOLATIONS
THEREOF AND FOR OTHER PURPOSES

EXPLANATORY NOTE

This Bill aims to curb the unjust and unproductive practice of monied individuals, partnerships and corporations of acquiring agricultural, residential and industrial lands for the sole purpose of speculating for profit on the future increase in the market value of such lands.

Said practice has resulted in the situation wherein vast tracts of land remain unutilized in the hands of a select few. Being a limited natural resource, these lands must be devoted to useful ends and with the broader objective of equitably distributing land to those who need it most.

The ownership, possession and use of land being highly impressed with public interest, the immediate passage of this Bill is earnestly sought.


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

SECTION 1. *Declaration of Policy.* – It is the policy of the State to efficiently manage and utilize agricultural, residential and industrial lands with the end of committing the same to productive use and equitable distribution to the landless. It shall also be the policy of the State to discourage speculation in real estate property as it is impressed with public interest.

SECTION 2. *Short Title.* – This Act shall be known as “The Idle Lands Tax of 2004”.

SECTION 3. *Nature and Coverage of the Taxes.* – The taxes herein sought to be imposed shall be collected yearly and shall be considered as national taxes. All idle agricultural, residential and industrial lands, as the same are hereunder defined, shall be covered by the taxes sought to be imposed under this Act.

SECTION 4. *Definition of Terms.* – As used in this Act, the following terms shall be understood to mean as hereunder defined, thus:

“Idle Lands” – Lands which are not productively and wholly devoted to agricultural, residential or industrial purposes bearing in mind its geographical location, topography, climate and other relevant factors and which remain so within a period of one (1) year from the date of acquisition thereof by the duly registered owner;

“Agricultural Lands” – Lands which are intended and suitable for the cultivation of plants, vegetables, fruits, trees, flowers and other similar crops;

“Residential Lands” – Lands which are intended for the habitation and occupation of human beings with the exception of legally accepted open and common areas; and

“Industrial Lands” – Lands which are intended and suitable for the conduct of business, manufacturing and production concerns and the like

SECTION 5. *Amount of Taxes.* – The taxes herein sought to be imposed shall be computed at the rate of five percent (5%) of the fair market value or zonal valuation of the subject agricultural, residential and industrial lands, whichever is higher. These taxes shall be over and above the real estate taxes which are imposed and collected on such lands by the local government.

SECTION 6. *Tax Liability.* – The taxes herein imposed shall be levied upon the duly registered owner of the subject lands.

SECTION 7. *Penal Clause.* – The penalty of imprisonment for a period of not less than six (6) months and not more than two (2) years or a fine equal to double the amount of the taxes due, or both, shall be meted upon the taxpayer who refuses and/or fails to pay the proper taxes due.

If violation of this Act is committed by a juridical person, the chairperson, president, secretary, treasurer, director, trustee or partner responsible for such violation shall be the person/s liable either individually or collectively.

SECTION 8. *Implementing Rules and Regulations.* – The Department of Finance, in coordination with other appropriate and concerned agencies and entities, is hereby directed to promulgate the necessary implementing rules and regulations in order to enforce the provisions of this Act within sixty (60) days from approval hereof.

SECTION 9. *Separability Clause.* – If for any reason, any provision of this Act is declared unconstitutional or invalid, such parts hereof not affected thereby shall remain in full force and effect.

SECTION 10. *Repealing Clause.* – All laws, decrees, executive orders, issuances and rules and regulations which are inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 11. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation in the Philippines.

Approved,