

Republic of the Philippines
Congress of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Thirteenth Congress

House Bill No. 3560



INTRODUCED BY HONORABLE CLAUDE P. BAUTISTA

EXPLANATORY NOTE

Both the national and the local governments need money. In the midst of this acute national financial crisis, it is high time that the national government once again summon the aid of local government units in the effective and efficient collection of taxes and other revenues.

Taxes and other revenues are the lifeblood of the government. They are the means by which both the local and national governments survive. Therefore, in the collection of taxes and other revenues, both of them must act side by side. This Bill seeks to create a local revenue collection council in every local government unit to ensure the effective and efficient collection of taxes and other revenues.

Sir Thomas Jefferson once said that "**municipal corporations are the small republics from which the great one derives its strength.**" The framers of our Constitution so believed in this principle that they inserted in our fundamental law the mandate on the State to allocate among the different local government units powers, responsibilities and resources in the pursuit of a system of decentralization (Section 3, Article X, 1987 Constitution). This principle was followed as a policy under the Local Government Code declaring that the capabilities of local government units shall be enhanced by providing them with opportunities to participate actively in the implementation of national programs and projects (Section 3(g), Republic Act No. 7160). It has also been declared the policy of the State to have a continuing mechanism to enhance local autonomy not only by legislative enabling acts but also by administrative and organizational reforms (Section 3(h), Republic Act No. 7160).

Hence, immediate approval of this measure is earnestly sought.


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AN ACT CREATING THE LOCAL REVENUE COLLECTION COUNCILS

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

SECTION 1. *Local Revenue Collection Councils.* – There is hereby created in every province, city, municipality, and barangay a local revenue collection council to assist the national and local government unit concerned in the effective and efficient collection of taxes and other revenues.

SEC. 2. *Composition of Local Revenue Collection Councils.* – The composition of the local revenue collection council shall be as follows:

(a) The barangay revenue collection council shall be headed by the punong barangay and shall be composed of the following:

- (1) The members of the sangguniang barangay;
- (2) Representatives of non-government organizations operating in the barangay, who shall constitute not less than one-fourth of the members of the fully organized council;
- (3) A representative of the Bureau of Internal Revenue and, whenever applicable, a representative of the Bureau of Customs;

(b) The city or municipal revenue collection council shall be headed by the mayor and shall be composed of the following:

- (1) All punong barangays in the city or municipality;
- (2) The chairman of the committee on ways and means of the sangguiang panlungsod or sangguniang bayan concerned;
- (3) A representative of the Bureau of Internal Revenue and, whenever applicable, a representative of the Bureau of Customs; and
- (4) Representatives of non-governmental organizations operating in the city or municipality, as the case may be, who shall constitute not less than one-fourth (1/4) of the members of the fully organized council;

(c) The provincial revenue collection council shall be headed by the governor and shall be composed of the following members:

- (1) All mayors of component cities and municipalities;
- (2) The chairman on the committee on ways and means of the sangguniang panlalawigan;
- (3) A representative of the Bureau of Internal Revenue and, whenever applicable, a representative of the Bureau of Customs;
- (4) Representatives of non-government organizations operating in the province, who shall constitute not less than one-fourth (1/4) of the members of the fully organized council;

(d) The local revenue collection council may call upon any local official concerned or any official of national agencies or offices in the local government unit to assist in the formulation of their respective revenue collection plans and activities.

SEC. 3. *Representation of non-governmental organizations.* – Within a period of sixty (60) days from the start of organization of local revenue collection councils, the non-governmental organizations shall choose from among themselves their representatives to said councils. The local sanggunian concerned shall accredit non-governmental organizations subject to such criteria as may be provided by law.

SEC. 4. *Functions of Local Revenue Collection Councils.* – The provincial, city, and municipal revenue collection councils shall exercise the following functions:

(1) Monitor, evaluate, and coordinate the implementation of the provisions of the National Internal Revenue Code, the Tariff and Customs Code, the Local Government Code and other laws and ordinances pertaining to the assessment and collection of taxes and other revenues;

(2) Mobilize people's participation in the effective and efficient collection of taxes and other revenues;

(3) Recommend to the local sanggunian concerned and/or the national government through the respective committee on ways and means of the Senate and the House of Representatives measures that will improve the monitoring and collection of taxes and other revenues; and

(4) Perform such other powers and functions as may be provided by law or ordinance.

SEC. 5. *Meetings and Quorum.* – The local revenue collection council shall meet at least once every six (6) months or as often as may be necessary.

SEC. 6. *Executive Committee.* – (a) Each local revenue collection council shall create an executive committee to represent it and act in its behalf when it is not in sessions. The composition of the executive committee shall be as follows:

(1) The executive committee of the provincial revenue collection council shall be composed of the governor as chairman, the representative of the component cities and municipal mayors to be chosen from among themselves, the chairman of the committee on ways and means of the sangguian panlalawigan, the president of the provincial league of barangays, a representative of the Bureau of Internal Revenue, a representative of the Bureau of Customs, and a representative of non-governmental organizations that are represented in the council, as members;

(2) The executive committee of the city or municipal revenue collection council shall be composed of the mayor as chairman, the chairman of the committee on ways and means of the sangguniang panlungsod of sangguniang bayan, the president of the city or municipal league of barangays, a representative of the Bureau of Internal Revenue, a representative of the Bureau of Customs, when applicable, and a representative of non-governmental organizations that are represented in the council, as members; and

(3) The executive committee of the barangay revenue collection council shall be composed of the punong barangay as chairman, the chairman of the committee on ways and means of the sangguniang barangay, a representative of the Bureau of Internal Revenue, a representative of the Bureau of Customs, when applicable, and a representative of non-governmental organizations that are represented in the council, as members.

(b) The executive committee shall exercise the following powers and functions:

(1) Ensure that the decision of the council are fully carried out and implemented;

(2) Act on matters requiring immediate attention or action by the council;

(3) Formulate policies, plans, and programs based on the general principles laid down by the council; and

(4) Act on other matters that may be authorized by the council.

SEC. 7. *Sectoral and Functional Committees.* – The local revenue collection councils may form sectoral or functional committees to assist them in the performance of their functions.

SEC. 8. *Secretariat.* – There is hereby constituted for each local revenue collection council a secretariat which shall be responsible for providing technical support, documentation of proceedings, preparation of reports and such other assistance as may be required in the discharge of its functions. The local revenue collection council may avail of the services of any non-governmental organization or educational or research institution for this purpose.

The secretariats of the provincial, city, municipal, and barangay revenue collection councils shall be headed by their respective treasurers.

SEC. 9. *Effectivity.* – This Act shall take effect immediately after the next election of the sanggunian of the local government unit concerned.

Approved,