

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
First Regular Session

House Bill No. 4336



Introduced by Hon. Danilo E. Suarez

EXPLANATORY NOTE

Among the principal thrusts of Republic Act No. 7898 or the Armed Forces of the Philippines (AFP) Modernization Act are the acquisition and upgrading of appropriate technology and equipment and the improvement and construction of bases and other facilities of the AFP. To provide the funding requirement for such project, an annual appropriation, along with other specified sources, is allocated to the AFP Modernization Act Trust Fund.

To date, however, there has not been much progress in the implementation of the project. The acquisition of major weapon and non-weapon equipment and the needed technology as well as major infrastructure construction and/or improvement requires massive funding which the Trust Fund alone cannot support. Thus, other sources should be tapped to augment the Trust Fund's limited resources.

To provide additional funding for the AFP Modernization Program, this bill seeks to allocate and transfer to the AFP Modernization Act Trust Fund the following items representing the share of the National Government from the taxes, royalties and charges collected from the Malampaya Natural Gas Project:

- 1) Excise taxes collected under Section 151 of the National Internal Revenue Code of 1997;
- 2) Other applicable mining taxes, royalties, and such other taxes, fees or charges, including surcharges, interests and fines, authorized by existing laws, issuances or regulations.

Such amount will considerably help the realization of various AFP projects geared towards the upliftment of its weapons system, technology acquisition and bases and facilities development.

In view of the foregoing, the approval of this bill is earnestly sought.


HON. DANILO E. SUAREZ
Representative
3rd District, Quezon

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AN ACT

ALLOCATING TO THE AFP MODERNIZATION ACT TRUST FUND THE SHARE OF THE NATIONAL GOVERNMENT ON ALL TAXES, ROYALTIES AND CHARGES COLLECTED FROM THE MALAMPAYA NATURAL GAS PROJECT

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

SEC. 1. All proceeds from the collection of taxes, charges, royalties, including related surcharges, interests and fines from mining, exploration and/or utilization of national wealth from the Malampaya Natural Gas Project accruing to the National Government shall be directly transferred and remitted to the AFP Modernization Trust Fund.

For such purpose, the Secretary of Finance is hereby authorized to transfer from the Bureau of Treasury such proceeds and to remit the same directly to the Department of National Defense under such rules and regulations as may be promulgated by the Secretary of Finance and the Secretary of National Defense.

SEC. 2. All laws, decrees, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 3. This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,