

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila**



THIRTEENTH CONGRESS
Second Regular Session

House Bill No. 5324

Introduced by **HON. IGNACIO T. ARROYO**

EXPLANATORY NOTE

The Barangay is mandated to perform certain duties and functions. As such, it is likewise mandated to be self-reliant, which means that it must raise its own revenue so that it can effectively and efficiently provide and delivers the basic services and facilities to its inhabitants.

Albeit the Local Government Code provides for certain provisions wherein the Barangay can get its own revenue, however, some of these provisions are vague as to when the barangay shall enjoy the revenue due it.

The most classic example of these provisions can be found under Section 164, paragraph (c), subparagraph (2) of the Local Government Code of 1991 wherein the said provision is silent as to when the barangay shall receive its rightful share over the community tax collection.

In view of this, this Bill seeks to correct the situation which obviously is disadvantageous to the barangay. Under this proposed bill, the barangay treasurer shall automatically retain the fifty percent (50%) share of this barangay in the community tax collected and remit the share of the city or municipality within ten (10) days after the end of each month.

In view of this, the immediate approval of this bill is earnestly requested.


IGNACIO T. ARROYO

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AN ACT
PROVIDING FOR THE AUTOMATIC RETENTION BY THE BARANGAY OF
ITS SHARE OF FIFTY PERCENT (50%) IN THE COMMUNITY TAX
COLLECTED BY SAID BARANGAY, AMENDING FOR THE PURPOSE
SECTION 164 OF R. A. NO. 7160, OTHERWISE KNOWN AS THE LOCAL
GOVERNMENT CODE OF 1991

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

SECTION 1. Section 164, OF Republic Act No. 7160, otherwise known as the Local Government Code of 1991 is hereby amended to read as follows:

“SEC. 164. Printing of Community Tax Certificate and Distribution of Proceeds. – (a) The Bureau of Internal Revenue shall cause the printing of community tax certificate and distribute the same to the cities and municipalities through the city and municipal treasurers in accordance with prescribed regulations.

The proceeds of the tax shall accrue to the general funds of the cities, municipalities and barangays except a portion thereof which shall accrue to the general funds of the National Government to cover the actual cost of printing and distribution of the forms and other related expenses. The city or municipality treasure the said share of the National Government in the proceeds of the tax within ten (10) days after the end of each quarter.

(b) The city or municipality treasurer shall deputize the barangay treasurer to collect the community tax in their respective jurisdictions: Provided, however, That said barangay treasurer shall be bonded in accordance with existing laws.

(c) The proceeds of the community tax actually and directly collected by the city or municipal treasurer shall accrue entirely to the general fund of the city or municipality concerned. However, proceeds of the community tax collected through the barangay treasurers shall be apportioned as follows:

- (1) Fifty percent (50%) shall accrue to the general fund of the city or municipality concerned; and
- (2) Fifty percent (50%) shall accrue to the barangay [where tax is collected] WHICH COLLECTED TAX

THE BARANGAY TREASURER CONCERNED SHALL AUTOMATICALLY RETAIN THE SHARE OF THE BARANGAY AND REMIT THE SHARE OF THE CITY OR MUNICIPALITY CONCERNED WITHIN THEN (10) DAYS AFTER THE END OF THE MONTH.”

SECTION 2. This Act shall take effect immediately upon approval.

Approved,