

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

H. B. No. 268

Introduced by HONORABLE JUAN EDGARDO "SONNY" M. ANGARA

EXPLANATORY NOTE

The barangays, as institutionalized in the Local Government Code of 1991, is the basic unit of our political structure, or the foundation of the Republic. Like the municipality, city and province, the barangay is mandated to perform certain duties and functions. It is also mandated to be self-reliant, which means that it must raise its own revenue so that it can efficiently and effectively provide and delivers the basic services and facilities to its inhabitants.

Although the Local Government Code has ample provisions identifying sources of revenue for the barangay, some of these provisions, however, are vague as to when the barangay shall enjoy the revenue due to it.

The provision in point is Section 164, paragraph (c), subparagraph (2) of the Local Government Code of 1991, provides that the barangay is entitled to a share of up to fifty percent (50%) of its community tax collection.

However, while said section provides that the share of the national government from the community tax collection shall be remitted by the city or municipality concerned within ten (10) days after the end of each quarter, it is silent as to when the barangay shall receive its share. Actually, in practice, the city or municipality concerned releases to the barangay its share when the barangay asks for it. In most cases, the release takes a long time. Meanwhile, the city or municipality deposits the share of the barangay with its depository bank under time deposit and enjoy the interest accruing thereto.

The Bill, therefore, seeks to correct the situation which obviously is disadvantageous to the barangay. It is proposed that Section 164 (c) (2) be amended in the sense that the barangay treasurer concerned 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.


JUAN EDGARDO "SONNY" M. ANGARA
Representative
Lone District, Province of Aurora

H. B. No. 268

Introduced by Honorable JUAN EDGARDO "SONNY" M. ANGARA

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 fund of the National Government to cover the actual cost of printing and distribution of the forms and other related expenses. The city or municipality treasurer concerned shall remit to the national treasurer 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 municipal 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 TEN (10) DAYS AFTER THE END OF THE MONTH."

SEC. 2. *Effectivity.* This Act shall take effect upon its approval.

Approved,