

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1491

Introduced by: REP. MEL SENEN S. SARMIENTO

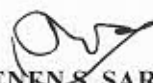
EXPLANATORY NOTE

Consistent with the promotion and enhancement of local financial autonomy, this bill seeks to amend Section 290 and 291 of Republic Act 7160, otherwise known as the Local Government Code.

As proposed, the share of the local government units is increased from forty percent (40%) to forty five percent (45%) of the gross collection derived by the national government in the preceding fiscal year from mining taxes, royalties, forestry and fishery charges, and such other taxes, fees, or charges, including related surcharges, interests, or fines, and from its share in any co-production, joint venture or production sharing agreement in the utilization and development of the national wealth within their territorial jurisdiction.

Under this legislative proposal, the share of the local governments units from the use of national wealth, and from any government agency or -owned and -controlled corporation shall be remitted directly to them within ten (10) days after the end of every quarter during the current fiscal year.

This is just one of the measures that seek to broaden the local fiscal resource generation. Hence, the approval of this bill is earnestly requested.


MEL SENEN S. SARMIENTO

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AN ACT
AMENDING SECTION 290 AND 291 OF REPUBLIC ACT 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:

- 1 **SECTION 1.** Section 290 of RA 7160 is hereby amended and shall read as follows:
2
3 Section 290. Amount of Share of Local Government Units. - Local government
4 units shall, in addition to the internal revenue allotment, have a share of (forty percent
5 (40%)) FORTY FIVE PERCENT (45%) of the gross collection derived by the
6 national government [from] IN the preceding fiscal year from mining taxes, royalties,
7 forestry and fishery charges, and such other taxes, fees, or charges, including related
8 surcharges, interests, or fines, and from its share in any co-production, joint venture or
9 production sharing agreement in the utilization and development of the national
10 wealth within their territorial jurisdiction. PROVIDED, THAT THE SHARES OF
11 THE LOCAL GOVERNMENT UNITS CONCERNED SHALL BE REMITTED TO

1 THEM DIRECTLY WITHIN TEN (10) DAYS AFTER THE END OF EVERY
2 QUARTER DURING THE CURRENT FISCAL YEAR;

3 THERE SHALL BE A COMMITTEE COMPOSED OF THE REPRESENTATIVES
4 OF THE TAX PAYERS, THE DEPARTMENT OF FINANCE, THE
5 DEPARTMENT OF BUDGET AND MANAGEMENT, AND THE LOCAL
6 GOVERNMENT UNIT CONCERNED TASKED TO FORMULATE THE
7 NECESSARY PROCEDURE FOR THE EFFECTIVE IMPLEMENTATION OF
8 THIS PROVISION, AND WHICH SHALL SUBMIT ITS REPORT TO THE
9 COMMITTEE ON LOCAL GOVERNMENT OF BOTH HOUSES OF CONGRESS.

10
11 **SECTION 2.** Section 291 of RA 7160 is hereby amended and shall read as follows:

12
13 Section 291. Share of the Local Governments from any Government Agency
14 or -Owned and -Controlled Corporation. - Local government units shall have a share
15 based on the preceding fiscal year from the proceeds derived by any government
16 agency or government-owned or -controlled corporation engaged in the utilization and
17 development of the national wealth based on the following formula whichever will
18 produce a higher share for the local government unit:

- 19 a. One percent (1%) of the gross sales or receipts of the preceding calendar
20 year; or
21 b. Forty Five percent (45%) of the mining taxes, royalties, forestry and fishery
22 charges and such other taxes, fees or charges, including related surcharges,
23 interests, or fines the government agency or government -owned or -
24 controlled corporation would have paid if it were not otherwise exempt.

1 PROVIDED THAT, THE SHARES OF THE LOCAL GOVERNMENT UNITS
2 CONCERNED SHALL BE REMITTED TO THEM DIRECTLY WITHIN TEN (10)
3 DAYS AFTER THE END OF EVERY QUARTER DURING THE CURRENT
4 FISCAL YEAR.

5 THE COMMITTEE CREATED HEREIN SHALL IMPLEMENT THE
6 PROVISIONS OF THIS ACT.

7
8 **SECTION 3. Repealing Clause.** – All laws, decrees, executive orders, proclamations, rules
9 and regulations, or parts thereof inconsistent herewith are hereby repealed or modified
10 accordingly.

11
12 **SECTION 4. Separability Clause.** – If any provision of this Act is held invalid or
13 unconstitutional, the other provisions not affected hereby shall remain valid and subsisting.

14
15 **SECTION 5. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its
16 publication in at least two (2) national newspapers of general circulation.

17
18 Approved,