

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

15th Congress
First Regular Session

House Bill No. 1742

Introduced by Representative Roman T. Romulo
Lone District of Pasig City

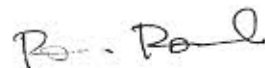
EXPLANATORY NOTE

Republic Act No. 9178 or the Barangay Micro Business Enterprises (BMBEs) Act of 2002 declared that it is the policy of the State "to hasten the country's economic development by encouraging the formation and growth of barangay micro business enterprises which effectively serve as seedbeds of Filipino entrepreneurial talents, and integrating those in the informal sector with the mainstream economy, through the rationalization of bureaucratic restrictions, the active intervention of the government specially in the local level, and the granting of incentives and benefits to generate much needed employment and alleviate poverty."

This bill seeks to exempt registered BMBEs from local taxes on business. Being LGU-based, BMBEs benefit the LGUs through employment generation, use of local entrepreneurial skills, raw materials and services by the BMBEs, stimulation of the local economy and integration of the informal sector into the mainstream economy of the LGU.

The undersigned believes that the active intervention and participation of the LGUs in granting incentives and benefits to BMBEs will help generate much needed employment and alleviate poverty.

For these reasons, the passage of this bill is earnestly sought.



ROMAN T. ROMULO

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**AN ACT TO AMEND SECTION 7 OF REPUBLIC ACT NO. 9178 OTHERWISE
KNOWN AS THE BARANGAY MICRO BUSINESS ENTERPRISES (BMBEs)
ACT OF 2002 TO EXEMPT BMBEs FROM LOCAL TAXES ON BUSINESS**

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

Section 1. Section 7 of Republic Act No. 9178 otherwise known as the
Barangay Micro Business Enterprises (BMBEs) Act Of 2002 is hereby amended
to read as follows:

Section 7. Exemption from Taxes and Fees. All BMBEs shall be
exempt from income tax for income arising from the operations of
the enterprise.

All BMBEs shall likewise be exempt from all local taxes on business
and the LGUs are encouraged to either reduce the amount of other
local taxes, fees and charges imposed or to exempt the BMBEs
from other local taxes, fees and charges.

Section 2. Implementing Rules and Regulations – The Secretary of the
Department of the Interior and Local Government, in consultation with the
Secretaries of the Department of Trade and Industry and the Department of
Finance shall formulate the necessary rules and regulations to implement the
provisions of this Act within ninety (90) days after its approval. The rules and
regulations issued pursuant to this Section shall take effect fifteen (15) days after
its publication in a newspaper of general circulation.

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