

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Diliman, Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1831

Introduced by:
HON. BERNARDO M. VERGARA

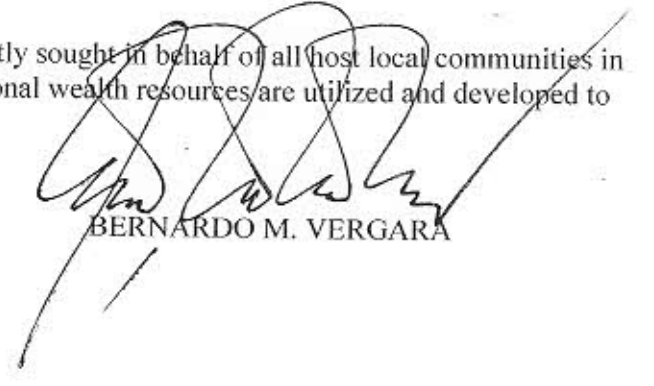
Explanatory Note

Pursuant to Republic Act No. 7160, otherwise known as the Local Government Code of 1991, local government units are guaranteed in their enjoyment of local autonomy to ensure their fullest development as self-reliant communities. The mandate, as supported from Constitutional direction, makes it possible for LGUs to become effective partners in attaining national development and social progress.

This bill reiterates the intent of HB No. 3195, introduced by the Hon. Mauricio G. Domogan of the Lone District of Baguio in the 14th Congress, approved by the House and transmitted to the Senate in 2009. As stated in said measure, this initiative seeks to further strengthen local autonomy, by mandating the direct remittance to host local governments of their 40% share of the gross collection derived by the National Government from the preceding fiscal year from the utilization and development of national wealth within their territorial jurisdiction.

Amending the pertinent provisions of the Local Government Code, specifically Section 290 therein, will accomplish the desired objective of ensuring that host local government units will get their mandated tax share from national wealth utilization and development on time, unencumbered by bureaucratic procedures presently in place. Local development initiatives are therefore assured of appropriate funding from tax sources that are legitimately theirs as a matter of autonomous right, for their LGUs to use as an economic resource of self-reliant communities.

Approval of this bill is earnestly sought in behalf of all host local communities in whose territorial jurisdiction the national wealth resources are utilized and developed to achieve national development goals.



BERNARDO M. VERGARA

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PROVIDING FOR THE DIRECT REMITTANCE TO THE HOST LOCAL GOVERNMENT UNIT OF ITS 40% SHARE OF THE GROSS COLLECTION DERIVED FROM THE NATIONAL WEALTH TAX, AMENDING SECTION 290 OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991

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

SECTION 1. Section 290 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, is hereby amended to read as follows:

“SEC. 290. *Amount of Share of Local Government Units* – Local government Units shall, in addition to the internal revenue allotment, have a share of forty (40%) per cent of the gross collection derived by the National Government from the preceding fiscal year from mining taxes, royalties, forestry and fishery charges, OTHER NATURAL RESOURCE UTILIZATION AND DEVELOPMENT FEES, and such other taxes, fees, or charges, including related Surcharges, interests, or fines, and from its share in any co-production, joint venture, OR SHARING AGREEMENT ON PRODUCTION OR NATURAL RESOURCE USE in the utilization and development of the national wealth within their territorial jurisdiction[.]; PROVIDED, THAT PERSONS, NATURAL OR JURIDICAL, ENGAGED IN UTILIZATION AND DEVELOPMENT OF NATIONAL WEALTH, SHALL PAY DIRECTLY SUCH FORTY (40%) SHARE TO THE HOST LOCAL GOVERNMENT UNITS AND THE REMAINING SIXTY (60%) TO THE NATIONAL GOVERNMENT.”

SECTION 2. All laws, decrees, executive orders, rules and regulations which are inconsistent with this Act are hereby repealed, amended or modified accordingly.

SECTION 3. This Act shall take effect upon its approval.

Approved,