

FIFTEENTH CONGRESS
OF THE REPUBLIC OF THE PHILIPPINES
First Regular Session

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HOUSE OF REPRESENTATIVES

House Bill No. 1887

Introduced by Representative Ben P. Evardone

EXPLANATORY NOTE

Republic Act 7160 (The Local Government Code of 1991) paved the way for local autonomy through decentralization and fiscal autonomy. In furtherance of this end, this bill seeks to amend Sections 290 and 291 of the Local Government Code (LGC).

The Internal Revenue Allotment, to a great extent, has been the "bread and butter" of the local governments. However, this alone is insufficient. Thus, further intensification of local fiscal resource generation is deemed necessary to bring government services closer to the doorsteps of the Filipino people.

This bill proposes an increase in the share of the LGUs to 60% (from 40%) of the gross collection derived by the national government 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.

It is likewise proposed that the share of LGUs from the use of national wealth, and from any government agency or -owned and -controlled corporation be remitted to them within ten days after the end of every quarter during the current fiscal year.

Hence, approval of this bill is earnestly requested.



BEN P. EVARDONE

Representative, Lone District of Eastern Samar

HOUSE OF REPRESENTATIVES

House Bill No. 1887

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AN ACT
AMENDING 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:*

SECTION 1. Section 290 of RA 7160 is hereby amended to read as follows:

Section 290. Amount of Share of Local Government Units. – Local government units shall, in addition to the internal revenue allotment, have a share of (forty percent (40%)) SIXTY PERCENT (60%) of the gross collection derived by the national government [from] 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; PROVIDED, THAT THE SHARES OF THE LOCAL GOVERNMENT UNITS CONCERNED SHALL BE REMITTED TO THEM WITHIN TEN (10) DAYS AFTER THE END OF EVERY QUARTER DURING THE CURRENT FISCAL YEAR;

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

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

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

- a. One percent (1%) of the gross sales or receipts of the preceding calendar year; or

38 b. Forty percent (40%) of the mining taxes, royalties, forestry and charges
39 and such other taxes, fees or charges, including related surcharges,
40 interests, or fines the government agency or government -owned or -
41 controlled corporation would have paid if it were not otherwise exempt;
42

43 PROVIDED THAT, THE SHARES OF THE LOCAL GOVERNMENT UNITS
44 CONCERNED SHALL BE REMITTED TO THEM WITHIN TEN (10) DAYS
45 AFTER THE END OF EVERY QUARTER DURING THE CURRENT FISCAL
46 YEAR.
47

48 THE COMMITTEE CREATED HEREIN SHALL IMPLEMENT THE
49 PROVISIONS OF THIS ACT.
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51 SECTION 3. All laws, decrees, executive orders, proclamations, rules and regulations, or
52 parts thereof inconsistent herewith are hereby repealed or modified accordingly.
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54 SECTION 4. Separability Clause. - If any provision of this Act is held invalid or
55 unconstitutional, the other provisions not affected hereby shall remain valid and
56 subsisting.
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58 SECTION 5. This Act shall take effect fifteen (15) days after its publication in at least
59 two (2) national newspapers of general circulation.
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61 Approved,