

FIFTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES

House Bill No. 2671

Introduced by Representative Teodorico T. Haresco, Jr.

EXPLANATORY NOTE

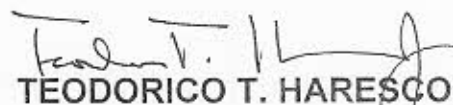
Republic Act 7160, otherwise known as the Local Government Code, promoted the measures for local financial autonomy of the different LGUs of the country. This law also stated that LGUs would be allotted a share from the collection of taxes from the utilization of resources in their territorial jurisdiction.

Over the past decade, many local government units have stated that the current share of the Internal Revenue Allotment is already insufficient in funding the programs and projects of the local government. There is an urgent need to increase the resource generation of the LGUs for them to be at par with the growth of the national as well as the global economy.

This bill proposes to increase the share of the local government units to fifty percent (50%) of the gross collection derived by the national government from mining taxes, royalties, forestry and fishery charges and 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.

This bill likewise proposes that the share of the local government units from the use of national wealth, and from any government agency or owned and controlled corporation be remitted to them within ten (10) days after the end of every quarter during the current fiscal year.

Hence, the approval and passage of this bill is earnestly sought.


TEODORICO T. HARESCO, JR.

Representative, Ang Kasangga Party-List

FIFTEENTH CONGRESS OF THE)
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2671

House Bill No. _____

Introduced by Representative Teodorico T. Haresco, Jr.

**AN ACT AMENDING SECTIONS 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 and shall 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%)] **FIFTY PERCENT (50%)** 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
- b. Forty percent (40%) of the mining taxes, royalties, forestry and fishery charges and such other taxes, fees or charges, including related surcharges, interests, or fines the government agency or government-owned or controlled corporation would have paid if it were not otherwise exempt.

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.

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

Section 3. All laws, decrees, executive orders, proclamations, rules and regulations, or parts thereof inconsistent herewith are hereby repealed or modified accordingly.

Section 4. Separability Clause. - If any provision of this Act is held invalid or unconstitutional, the other provisions not affected hereby shall remain valid and subsisting.

Section 5. This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,