

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

FIFTEENTH CONGRESS
First Regular Session



COMMITTEE REPORT NO. 803

Submitted by the Committee on Local Government on **21 MAR 2011**
Re: House Bill No. **4410**

Recommending its approval in substitution of House Bill Nos. 110, 442, 586, 635, 910, 1491, 1831, 1887, 2361, 2671 and 2763

Sponsors: Representatives George P. Arnaiz, Neptali M. Gonzales II, Ronald M. Cosalan, George P. Arnaiz, Rufus B. Rodriguez, Maximo B. Rodriguez, Juan Edgardo M. Angara, Mel Senen S. Sarmiento, Bernardo M. Vergara, Ben P. Evardone, Ronald V. Singson, Teodoro T. Haresco, Jr., Roy M. Loyola, Justin Marc SB Chipeco, Florencio "Bem" G. Noel, Florencio C. Garay, Antonio A. Ferrer, Jerry P. Treñas, Danilo Ramon S. Fernandez, Edgar S. San Luis, Manuel S. Agyao, Jesus Crispin C. Remulla and Josefina M. Joson

Mr. Speaker:

The Committee on Local Government to which were referred House Bill Nos. 110 introduced by Representative Neptali M. Gonzales II, entitled:

"AN ACT

PROVIDING FOR THE DIRECT REMITTANCE TO THE HOST LOCAL GOVERNMENT OF ITS FORTY PERCENT SHARE (40%) OF THE GROSS COLLECTION DERIVED BY THE NATIONAL GOVERNMENT FROM NATIONAL WEALTH TAXES, AMENDING FOR THE PURPOSE SECTION 293 OF REPUBLIC ACT No. 7160 OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991"

House Bill No. 442 introduced by Representative Juan Edgardo M. Angara, entitled:

"AN ACT

MANDATING THE AUTOMATIC RELEASE OF THE SHARE OF THE BARANGAY IN THE PROCEEDS OF NATIONAL TAXES AND TAXES ON THE UTILIZATION AND DEVELOPMENT OF THE NATIONAL WEALTH, AMENDING FOR THIS PURPOSE SECTION 286, CHAPTER 1 AND SECTION

293, CHAPTER 3, TITLE 3, BOOK II, RESPECTIVELY, OF THE REPUBLIC ACT No. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991"

House Bill No. 586 introduced by Representatives Rufus B. Rodriguez and Maximo B. Rodriguez, entitled:

**"AN ACT
PROVIDING FOR THE DIRECT REMITTANCE TO THE HOST LOCAL GOVERNMENT OF ITS FORTY PERCENT SHARE (40%) OF THE GROSS COLLECTION DERIVED BY THE NATIONAL GOVERNMENT FROM NATIONAL WEALTH TAXES, AMENDING FOR THE PURPOSE SECTION 293 OF REPUBLIC ACT No. 7160 OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991**

House Bill No. 635 introduced by Representative Juan Edgardo M. Angara, entitled:

**"AN ACT
AMENDING SECTIONS 290 AND 291 OF REPUBLIC ACT No. 7160 OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991"**

House Bill No. 910 introduced by Representative Ronald M. Cosalan, entitled:

**"AN ACT
MANDATING THE DIRECT REMITTANCE OF THE RESPECTIVE SHARES OF HOST LOCAL GOVERNMENT FROM THE PROCEEDS IN THE DEVELOPMENT AND UTILIZATION OF THE NATIONAL WEALTH, AMENDING SECTION 293, CHAPTER 2, TITLE III, BOOK II OF REPUBLIC ACT No. 7160 OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991 AND FOR OTHER PURPOSES"**

House Bill No. 1491 introduced by Representative Mel Senen S. Sarmiento, entitled:

**"AN ACT
AMENDING SECTIONS 290 AND 291 OF REPUBLIC ACT No. 7160 OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991"**

House Bill No. 1831 introduced by Representative Bernardo M. Vergara, entitled:

**"AN ACT
PROVIDING FOR THE DIRECT REMITTANCE TO THE HOST LOCAL GOVERNMENT OF ITS FORTY PERCENT SHARE (40%) OF THE GROSS COLLECTION DERIVED FROM NATIONAL WEALTH TAXES, AMENDING SECTION 290 OF REPUBLIC ACT No. 7160 OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991"**

House Bill No. 1887 introduced by Representative Ben P. Evardone, entitled:

**"AN ACT
AMENDING 290 AND 291 OF REPUBLIC ACT No. 7160, OTHERWISE KNOWN
AS THE LOCAL GOVERNMENT CODE OF 1991"**

House Bill No. 2361 introduced by Representative Ronald V. Singson, entitled:

**"AN ACT
PROVIDING FOR THE DIRECT REMITTANCE TO THE HOST LOCAL
GOVERNMENT OF ITS FORTY PERCENT SHARE (40%) OF THE GROSS
TAX COLLECTION FROM THE UTILIZATION AND DEVELOPMENT OF THE
NATIONAL WEALTH WITHIN ITS TERRITORIAL JURISDICTION,
AMENDING FOR THE PURPOSE CERTAIN SECTIONS OF REPUBLIC ACT
No. 7160 OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF
1991"**

House Bill No. 2671 introduced by Representative Teodoro T. Haresco, Jr., entitled:

**"AN ACT
AMENDING 290 AND 291 OF REPUBLIC ACT No. 7160, OTHERWISE KNOWN
AS THE LOCAL GOVERNMENT CODE OF 1991"**

House Bill No. 2763 introduced by Representative George P. Arnaiz, entitled:

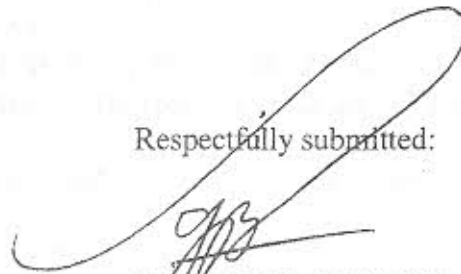
**"AN ACT
PROVIDING FOR THE DIRECT REMITTANCE TO THE HOST LOCAL
GOVERNMENT OF ITS FORTY PERCENT SHARE (40%) OF THE GROSS
TAX COLLECTION FROM THE UTILIZATION AND DEVELOPMENT OF THE
NATIONAL WEALTH WITHIN ITS TERRITORIAL JURISDICTION,
AMENDING FOR THE PURPOSE CERTAIN SECTIONS OF REPUBLIC ACT
No. 7160 OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF
1991"**

has considered the same and recommends that the attached House Bill No. 4410
entitled:

**"AN ACT
PROVIDING FOR THE DIRECT REMITTANCE TO THE HOST LOCAL
GOVERNMENT OF ITS FORTY PERCENT SHARE (40%) OF THE PROCEEDS
DERIVED FROM THE UTILIZATION AND DEVELOPMENT OF NATIONAL
WEALTH, AMENDING FOR THE PURPOSE SECTION 293 OF REPUBLIC
ACT No. 7160 AS AMENDED OTHERWISE KNOWN AS THE LOCAL
GOVERNMENT CODE OF 1991"**

be approved in substitution of House Bill Nos. 110, 442, 586, 635, 910, 1491, 1831, 1887, 2361, 2671 and 2763 389, 742, 1250, 2183, 2625, 3505 and 4367 with Representatives Neptali M. Gonzales II, Ronald M. Cosalan, George P. Arnaiz, Rufus B. Rodriguez, Maximo B. Rodriguez, Juan Edgardo M. Angara, Mel Senen S. Sarmiento, Bernardo M. Vergara, Ben P. Evardone, Ronald V. Singson, Teodoro T. Haresco, Jr., Roy M. Loyola, Justin Marc SB Chipeco, Florencio "Bern" G. Noel, Florencio C. Garay, Antonio A. Ferrer, Jerry P. Treñas, Danilo Ramon S. Fernandez, Edgar S. San Luis, Manuel S. Agyao, Jesus Crispin C. Remulla and Josefina M. Joson as authors thereof.

Respectfully submitted:



GEORGE P. ARNAIZ

Chairman

Committee on Local Government

**THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES**

Republic of the Philippines
HOUSE OF REPRESENTATIVES

Quezon City, Metro Manila

FIFTEENTH CONGRESS

First Regular Session

HOUSE BILL No. 4410

Introduced by: Representatives Neptali M. Gonzales II, Ronald M. Cosalan, George P. Arnaiz, Rufus B. Rodriguez, Maximo B. Rodriguez, Juan Edgardo M. Angara, Mel Senen S. Sarmiento, Bernardo M. Vergara, Ben P. Evardone, Ronald V. Singson, Teodoro T. Haresco, Jr., Roy M. Loyola, Justin Marc SB Chipeco, Florencio "Bem" G. Noel, Florencio C. Garay, Antonio A. Ferrer, Jerry P. Treñas, Danilo Ramon S. Fernandez, Edgar S. San Luis, Manuel S. Agyao, Jesus Crispin C. Remulla, Josefina M. Joson, Romeo M. Acop and Francisco T. Matugas

AN ACT

PROVIDING FOR THE DIRECT REMITTANCE TO THE HOST LOCAL GOVERNMENT OF ITS FORTY PERCENT SHARE (40%) OF THE PROCEEDS DERIVED FROM THE UTILIZATION AND DEVELOPMENT OF NATIONAL WEALTH, AMENDING FOR THE PURPOSE SECTION 293 OF REPUBLIC ACT No. 7160 AS AMENDED 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 293 of Republic Act No. 7160 as amended otherwise known as the Local Government Code of 1991 is hereby amended to read as follows:

"SECTION 293. Remittance of the Share of Local Government Units. – The share of local government units from the utilization and development of national wealth shall be remitted in accordance with Section 286 of this Code: Provided, That ANY PERSON, NATURAL OR JURIDICAL, INCLUDING [in the case of any] government agency or government-owned or-controlled corporation engaged in the utilization and development of the national wealth, [such share] shall [be] directly

1 remit[ted] to the provincial, city, municipal or barangay treasurer, OF
2 ~~THE HOST LOCAL GOVERNMENT UNIT concerned ITS FORTY~~
3 PERCENT (40%) SHARE DERIVED FROM NATIONAL WEALTH
4 TAXES UNDER SECTION 290 OF THIS CODE AND THE
5 REMAINING SIXTY PERCENT (60%) TO THE NATIONAL
6 GOVERNMENT [, within five (5) days after the end of each quarter]. “

7 **SEC. 2.** All laws, decrees, orders, rules and regulations or parts thereof
8 inconsistent with the provisions of this Act are hereby amended or modified accordingly.

9 **SEC. 3.** This Act shall take effect (15) days after its publication in any newspaper
10 of general circulation.

11 *Approved,*

FACT SHEET

House Bill Nos. 110, 442, 586, 635, 910, 1491, 1831, 1887, 2361,
2671 and 2763

(As approved by the Committee on February 9, 2011)

**PROVIDING FOR THE DIRECT REMITTANCE TO THE HOST LOCAL
GOVERNMENT UNIT OF ITS 40% SHARE OF THE OF THE PROCEEDS
DERIVED FROM THE UTILIZATION AND DEVELOPMENT OF NATIONAL
WEALTH**

Introduced by Representatives Neptali M. Gonzales II, Ronald M. Cosalan,
George P. Arnaiz, Rufus B. Rodriguez, Maximo B. Rodriguez, Jr., Juan
Edgardo M. Angara, Mel Senen S. Sarmiento, Bernardo M. Vergara, Ben P.
Evardone, Ronald V. Singson, Teodorico T. Haresco, Jr., Roy M. Loyola,
Justin Marc SB Chipeco, Florencio "Bem" G. Noel, Florencio C. Garay,
Antonio A. Ferrer, Jerry P. Trefias, Danilo Ramon S. Fernandez, Edgar S.
San Luis, Manuel S. Agyao, Jesus Crispin C. Remulla, Josefina M. Joson,
Romeo M. Acop and Francisco T. Matugas

*Committee Referral : **Committee on Local Government**
Committee Chairperson: **Rep. George P. Arnaiz***

OBJECTIVE

- To allow the host local government unit to directly receive its just share from the collections of the national government from national wealth taxes, thereby improving the delivery of basic services to the public.

SALIENT PROVISIONS

- Mandates any individual or entity engaged in the utilization and development of the national wealth shall directly remit to the local government unit (lgu) treasurer its share in said taxes; and
- Entitles the host local government unit to forty percent (40%) share derived from the national wealth taxes and the remaining sixty percent (60%) shall be remitted to the national government

RELATED LAW

- Sections 286 and 290, 291 and 293 of Republic Act 7160 or the Local Government Code Of 1991.