

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
Second Regular Session
2016-2017
HOUSE BILL NO. 5400



Introduced by **HONORABLE LANI MERCADO-REVILLA**

EXPLANATORY NOTE

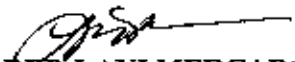
The Constitution, Article II, Section 25 states: "The State shall ensure the autonomy of local governments." Further, Article X, Section 6 mandates: "Local government units shall have a just share, as determined by law, in the national taxes which shall be automatically released to them."

This bill aims to amend Section 290 and 291 of the Local Government Code of 1991. Specifically, it seeks to increase the share of the local government units (LGUs) to fifty percent (50%) of the gross collection derived by the national government 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.

The proposed 50% share of the local governments units from the use of national wealth, and from any government agency or -owned and -controlled corporation shall be remitted to them within ten (10) days after the end of every quarter during the current fiscal year.

This proposed bill is consistent with the promotion and enhancement of local financial autonomy of LGUs in order that they can enjoy genuine and meaningful local autonomy to enable them to attain their fullest development as self-reliant communities

In view of the foregoing reasons, the approval of this bill is earnestly sought.


REP. LANI MERCADO-REVILLA
Second District, Cavite

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Introduced by HONORABLE LANI MERCADO-REVILLA

**AN ACT AMENDING SECTIONS 290 AND 291 OF REPUBLIC ACT NO. 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 TAXPAYERS, 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%)] **FIFTY PERCENT (50%)** 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. *Repealing Clause.* - 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. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,