



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2005

Introduced By:

REP. FRANCISCO T. MATUGAS, 1ST District, Surigao del Norte (*Siargao Island*)
REP. GUILLERMO A. ROMARATE, JR., 2ND District, Surigao del Norte
REP. PHILIP A. PICHAY, 1ST District, Surigao del Sur
REP. FLORENCIO C. GARAY, 2ND District, Surigao del Sur

EXPLANATORY NOTE

This bill, which was approved by the House of Representatives of the 15th Congress and refiled *in toto* in the present Congress, seeks to provide for the automatic retention by the host local government unit of its forty percent (40%) share of the gross collection derived by the national government from the national wealth taxes. The automatic retention applies to such taxes actually collected by each local government unit and shall be distributed in accordance with the allocation of shares as provided for under Section 292 of the Local Government Code of 1991. The allocation of shares shall be made and distributed by the host local government unit that actually collected such taxes.

Section 6, Article X of the 1987 Philippine Constitution provides that:

"Local government units shall have a just share, as determined by law, in the national taxes which shall be automatically released to them."

This measure will allow the host local government units to directly receive its just share from the national wealth taxes, thereby helping our local executives in their operational expenses in delivering basic services to their constituents.

Moreover, this bill will also resolve the present bureaucratic intricacies where funds are first remitted to the national government before they are apportioned to the local government units. Here, local legislative bodies will benefit from automatic retention of their respective shares so they could immediately appropriate funds to their priority development projects.

Our local executives are the first to respond to the needs of their people, it is but logical that they are empowered to serve their citizens well. This is just one of the measures that seek to broaden the local fiscal resource generation of the local government units. Hence, immediate approval of this bill is earnestly sought.



FRANCISCO T. MATUGAS



GUILLERMO A. ROMARATE, JR



PHILIP A. PICHAY



REP. FLORENCIO C. GARAY



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Sixteenth Congress
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REP. PHILIP A. PICHAY, 1ST District, Surigao del Sur

REP. FLORENCIO C. GARAY, 2ND District, Surigao del Sur

AN ACT

PROVIDING FOR THE DIRECT REMITTANCE TO THE HOST LOCAL GOVERNMENT OF ITS FORTY PERCENT (40%) SHARE 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 House of Representatives of the Philippines in Congress assembled:

1 SECTION 1. Section 293 of Republic Act No. 7160, as amended, otherwise
2 known as the "Local Government Code of 1991", is hereby further amended to
3 read as follows:

4 SEC. 293. *Remittance of the Share of Local Government*
5 *Units* - The share of local government units from the utilization and
6 development of national wealth shall be remitted in accordance
7 with Section 286 of this Code: *Provided, however, That ANY PERSON,*
8 **NATURAL OR JURIDICAL, INCLUDING** [in the case of any] government
9 agency or government-owned or controlled corporation engaged

1 in the utilization and development of the national wealth [such
2 share] shall [be] directly remit[ted] to the provincial, city, municipal
3 or barangay treasurer **OF THE HOST LOCAL GOVERNMENT UNIT**
4 **concerned ITS FORTY PERCENT (40%) SHARE DERIVED FROM**
5 **NATIONAL WEALTH TAXES UNDER SECTION 290 OF THIS CODE AND**
6 **THE REMAINING SIXTY (60%) TO THE NATIONAL GOVERNMENT** [within
7 five (5) days after the end of each quarter]."

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

11 SEC. 3. This Act shall take effect fifteen (15) days after its publication in the
12 Official Gazette or in two (2) national newspapers of general circulation.

13 Approved,