

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SIXTEENTH CONGRESS
First Regular Session

House Bill No. **2353**

Introduced by REP. CESAR V. SARMIENTO

EXPLANATORY NOTE

This bill seeks to amend Section 138 of Republic Act 7160 also known as the Local Government Code of 1991 by transferring the power to levy and collect taxes as well as to issue permits on sand, gravel and other quarry resources from the provinces to cities and municipalities.

The importance of sand, gravel and other quarry resources in government infrastructure projects cannot be gainsaid. These are the primary materials used in constructing roads and bridges which are among the priority infrastructure projects of the government.

However, implementation and completion of some national infrastructure projects have been plagued by delays due to the refusal of some suppliers of sand, gravel and other quarry materials to supply the same to contractors out of fear that their license will be revoked by the provincial government. This usually happens when the head of the province and the majority of the sangguniang panlalawigan belong to opposing parties such that the tendency is to use political power to obstruct programs and projects of the ruling party.

This unnecessary delay due to the political ill-will and rivalry is injurious to national policy and at the same time, detrimental to the progress of the country that all of us seek to achieve.

If the power to levy and collect taxes as well as to issue permits on sand, gravel and other quarry resources will be transferred from the provinces to the cities and municipalities, national agencies can have the option to transfer jurisdiction where they can get the materials for construction in case a particular city or municipality is antagonistic to them.

Moreover, provinces are oftentimes encountering problems in monitoring the quarrying activities in far away municipalities. Because of this, provinces are most of



the time cheated by quarry operators who do not declare the exact amount of the extracted sands, gravel and quarry materials.

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

A handwritten signature in black ink, appearing to read 'Cesar V. Sarmiento', with a stylized flourish at the end.

CESAR V. SARMIENTO

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SIXTEENTH CONGRESS
First Regular Session

House Bill No. **2353**

Introduced by REP. CESAR V. SARMIENTO

AN ACT AMENDING SECTION 138 OF REPUBLIC ACT 7160 ALSO KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991, BY TRANSFERRING THE POWER TO LEVY AND COLLECT TAXES AS WELL AS TO ISSUE PERMITS ON SAND, GRAVEL AND OTHER QUARRY RESOURCES FROM THE PROVINCES TO THE CITIES AND MUNICIPALITIES, AND FOR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

Section 1. Section 138 of Republic Act No. 7160 is hereby amended to read as follows:

"Section 138. Tax on Sand, Gravel and Other Quarry Resources. - The **CITY AND MUNICIPALITY** may levy and collect not more than ten percent (10%) of the fair market value in the locality per cubic meter of ordinary stones, sand, gravel, earth, and other quarry resources, as defined under the National Internal Revenue Code, as amended, extracted from public lands or from the beds of seas, lakes, rivers, streams, creeks, and other public waters within its territorial jurisdiction.

The permit to extract sand, gravel and other quarry resources shall be issued exclusively by the **CITY OR MUNICIPAL MAYOR AS THE CASE MAY BE**, pursuant to the ordinance of the **SANGGUNIANG PANLUNGSOD OR THE SANGGUNIANG BAYAN CONCERNED..**

THE ACTUAL EXTRACTION OF SAND, GRAVEL AND OTHER QUARRY RESOURCES SHALL BE UNDER THE SUPERVISION AND CLOSE MONITORING OF THE CITY OR MUNICIPALITY CONCERNED.

The proceeds of the tax on sand, gravel and other quarry resources shall be distributed as follows:

- (1) Province - Thirty percent (30%);
- (2) Component City or Municipality where the sand, gravel, and other quarry resources are extracted - Thirty percent (30%); and
- (3) Barangay where the sand, gravel, and other quarry resources are extracted - Forty percent (40%).

Section 2. Repealing Clause. – All laws, executive orders, rules and regulations or parts hereof which may be inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

Section 3. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in at least two newspapers of general circulation.

Approved,