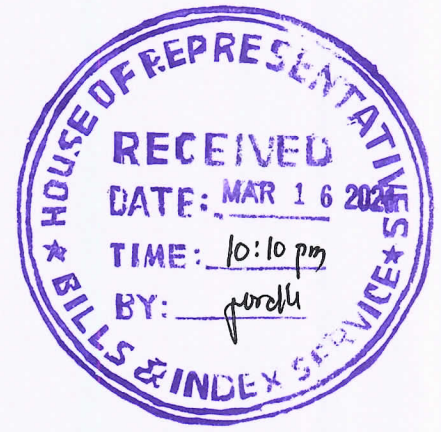




1 Republic of the Philippines
2 **HOUSE OF REPRESENTATIVES**
3 Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 9028

Introduced by Representative Shirlyn Bañas-Nogales

4 **EXPLANATORY NOTE**

5
6 Section 6, Article X of the Constitution provides that “*Local government*
7 *units shall have a just share, as determined by law, in the national taxes which*
8 *shall be automatically released to them.*” Republic Act (RA) No. 7106,
9 otherwise known as the “*Local Government Code of 1991*,” was enacted to
10 give life into this constitutional mandate.

11
12 The Local Government Code of 1991 granted all the local government
13 units, namely the province, city, municipality and barangay, a just share in the
14 national taxes through the internal revenue allotment (IRA). However, Section
15 285 of RA 7106 provided a limitation wherein the financial requirements of
16 barangays created by local government units after the effectivity of the Local
17 Government Code is the responsibility of the local government unit concerned
18 which means that barangays which were created after the effectivity of RA 7106
19 are not entitled to a share in the IRA.

20
21 Among the local government units, the barangay is the basic political unit
22 in the country. It is the primary implementing unit of government policies,
23 plans, programs, projects and activities in the community. It is a forum where
24 disputes are amicably settled.

25
26 Barangays are created either by law enacted by Congress or by an
27 ordinance passed by the Sangguniang Panlalawigan or Sangguniang Panlungsod

1 within its territorial jurisdiction. All barangays have the same functions, duties
2 and responsibilities. They are all required by law to be self-reliant. Barangays
3 also exercise the powers and discharge the duties and functions vested upon
4 them and those other functions and responsibilities as are necessary,
5 appropriate, or incidental to the efficient and effective delivery of the basic
6 services in the community.

7
8 The role of the barangay as the frontliner of the government in the delivery
9 of basic services to the people is essential. The current Covid-19 pandemic
10 underscores how vital and important the responsibilities of barangays are. It is
11 crucial to develop the barangays and empower them as effective and meaningful
12 partners of the National Government.

13
14 Presently, the country has 42,046 barangays. However, only 41,913 of
15 these barangays get a share in the IRA, amounting to P129.8 billion for this year
16 because of the limitation mentioned in the Local Government Code. Amending
17 RA 7106 to provide all barangays in the country, including those created by
18 local government units, a just share in the IRA is of paramount importance to
19 achieve the purpose for which these barangays were created.

20
21 In view of the foregoing, the approval of this bill is highly and earnestly
22 recommended.

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27

SHIRLYN BAÑAS-NOGRALES

1 (c) Municipalities - Thirty-four percent (34%); and

2 (d) Barangays - Twenty percent (20%):

3 *Provided, however,* That the share of each province, city, and
4 municipality shall be determined on the basis of the following
5 formula:

6 (a) Population - Fifty percent (50%);

7 (b) Land Area - Twenty-five percent (25%); and

8 (c) Equal sharing - Twenty-five percent (25%):

9 *Provided, further,* That the share of each Barangay with a
10 population of not less than one hundred (100) inhabitants shall not
11 be less than Eighty thousand pesos (₱80,000.00) *per annum*
12 chargeable against the twenty percent (20%) share of the barangay
13 from the internal revenue allotment, and the balance to be allocated
14 on the basis of the following formula:

15 (a) On the first year of the effectivity of this Code:

16 (1) Population - Forty percent (40%); and

17 (2) Equal Sharing - Sixty percent (60%)

18 (b) On the second year:

19 (1) Population - Fifty percent (50%); and

20 (2) Equal Sharing - Fifty percent (50%)

21 (c) On the third year and thereafter:

1 (1) Population - Sixty percent (60%); and

2 (2) Equal Sharing - Forty percent (40%):

3 *Provided, finally,* That **BARANGAYS CREATED BY LOCAL**
4 **GOVERNMENT UNITS SHALL HAVE A JUST SHARE IN**
5 **THE INTERNAL REVENUE ALLOTMENT PROVIDED**
6 **UNDER CHAPTER 1, TITLE III OF THIS CODE FOR**
7 **PURPOSES OF THEIR FINANCIAL REQUIREMENTS.”**

8 SEC. 2. This Act shall take effect fifteen (15) days after its publication in
9 the *Official Gazette* or in a newspaper of general circulation.

10 Approved,