

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES

House Bill No. 3186



Introduced by Representative Ralph G. Recto

AN ACT
PROVIDING THE DIRECT REMITTANCE TO THE HOST LOCAL GOVERNMENT
UNITS OF THEIR FORTY PERCENT (40%) SHARE DERIVED FROM THE
NATIONAL WEALTH AMENDING FOR THE PURPOSE SECTION 293 OF
REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL
GOVERNMENT CODE OF 1991

EXPLANATORY NOTE

As mandated in the Local Government Code, local government units (LGUs) are entitled to forty percent (40%) of the gross collections derived by the national government from the utilization and development of the national wealth by private persons or entities. These monies are used by the LGUs in financing development and livelihood projects. Unfortunately, such projects may be put on hold due to the delay in the release of the LGUs' share by the national government.

The present guidelines and procedures for the release of LGU shares require that the revenue-collecting agencies and national government agencies concerned submit to the Department of Budget and Management various documents before the shares are released to the host LGUs concerned. Hence, the evaluation of documents and the status of the government's overall cash position can cause the delay.¹

This proposal seeks to amend Section 293 of the Code to expedite the release of LGUs' shares by mandating that the forty percent (40%) share pertaining to the

¹ DOF-DBM-DILG-DENR Joint Circular No. 2009-1 March 31, 2009

host LGUs be remitted directly to the LGU concerned. On the other hand, the sixty percent (60%) share of the national government shall be remitted to the national treasury.

In view of the foregoing, the immediate approval of this measure is hereby requested.

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RALPH G. RECTO

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AN ACT
PROVIDING THE DIRECT REMITTANCE TO THE HOST LOCAL
GOVERNMENT UNITS OF THEIR FORTY PERCENT (40%) SHARE
DERIVED FROM THE NATIONAL WEALTH AMENDING FOR THE
PURPOSE SECTION 293 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:*

- 1 Section 1. Section 293 of Republic Act No. 7160, otherwise known
2 as the "Local Government Code of 1991" is hereby amended to read as
3 follows:
- 4 "Sec. 293. Remittance of the Share of Local Government
5 Units. – The share of local government units from the utilization
6 and development of national wealth shall be remitted in
7 accordance with Section 286 of this Code: *Provided, however,* That
8 **PERSONS, NATURAL OR JURIDICAL, INCLUDING** [~~in the~~
9 ~~case of any~~] government agenc[~~y~~]IES or government-owned or
10 controlled corporationS engaged in the utilization and development
11 of the national wealth, [~~such share~~] shall [~~be~~] directly remit[~~ted~~]
12 to the provincial, city, municipal or barangay treasurer of the
13 **HOST LOCAL GOVERNMENT UNIT CONCERNED ITS FORTY**
14 **PERCENT (40%) SHARE DERIVED FROM NATIONAL**
15 **WEALTH TAXES UNDER SECTION 290 OF THIS CODE AND**
16 **THE REMAINING SIXTY PERCENT (60%) TO THE**

1 **NATIONAL GOVERNMENT** [~~concerned within five (5) days after~~
2 ~~the end of each quarter~~]."

3 Sec. 2. *Implementing Rules and Regulations.* – The Secretaries of the
4 Department of Finance, Department of the Interior and Local Government
5 and the Department of Finance, shall, within ninety (90) days from the
6 effectivity of this Act, jointly formulate and issue the appropriate rules and
7 regulations necessary to implement and carry out the intent, objective,
8 purpose and provisions of this Act.

9 Sec. 3. *Repealing Clause.* – Any law, presidential decree or issuance,
10 executive order, letter of instruction, rule or regulation inconsistent with the
11 provisions of this Act is hereby repealed or modified accordingly.

12 Sec. 4. *Effectivity.* – This Act shall take effect fifteen (15) days
13 following its complete publication in two (2) newspapers of general circulation
14 or in the *Official Gazette*.

Approved,