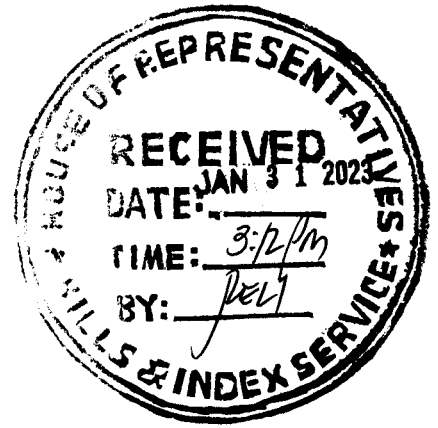




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 7000



Introduced by Representative DAVID "Jay-Jay" C. SUAREZ and Representative ANNA
MARIE VILLARAZA- SUAREZ

EXPLANATORY NOTE

In order to promote the productivity of agricultural lands, particularly idle lands, Republic Act No. 8435 otherwise known as the Agricultural and Fisheries Modernization Act of 1997 came into law imposing idle land tax on agricultural lands that remain idle and unproductive for a period exceeding one (1) year.

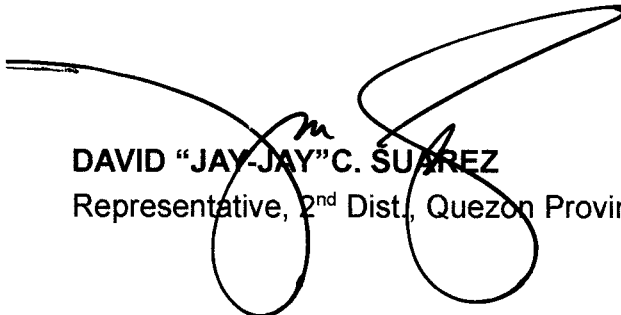
However, despite the implementation of the law, there appears to be little to no effect to deter offenders or has there been any observable increase in agricultural production. In fact, as of 2018, the PSA has reported that agricultural land has declined to 13.32 million hectares from 14.74 million hectares back in 1995. This has led to the further decline of farm outputs in the country. Hence, the issue on food security and income for our farmers and fisherfolks remains unaddressed.

With this proposed measure, the term "idle agricultural lands" shall cover all idle agricultural lands both privately owned and even those that are owned by the government.

This bill also provides the LGU the power to impose an "idle lands tax" within their jurisdiction at a rate not exceeding one percent (1%) of the assessed value of the land per year. The LGU shall also have the authority to adjust the rate of the idle lands tax, subject to the approval of the Department of Interior and Local Government (DILG).

With the proposed Act, landowners, including the government will be left without recourse but to use their lands and make it productive. Further, this stricter measure shall help to address any and all food security and agricultural issues, as well as improve the income and livelihood of our farmers and fisherfolks. Furthermore, in the process, the concerned Local Government Unit (LGU) shall have a means of increasing their income.

Given the abovementioned circumstances, the immediate passage of this bill is necessary.



DAVID "JAY-JAY" C. SUAREZ
Representative, 2nd Dist., Quezon Province



ANNA MARIE VILLARAZA- SUAREZ
Representative, ALONA Party-List



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HOUSE BILL NO. 7000

Introduced by Representative DAVID "Jay-Jay" C. SUAREZ and Representative ANNA
MARIE VILLARAZA- SUAREZ

An Act
Defining Idle Lands and Providing Incentives for Local Government Units to Collect
Taxes on Such Lands

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

SECTION 1. **Short Title.** - This Act shall be known as the "Idle Lands Taxation Act."

SEC. 2. **Objectives.** - This Act shall have the following objectives:

- a. To enhance local economic development through maximization of the idle lands for productive use;
- b. To improve profits and incomes in the agriculture sector, particularly the small farmers;
- c. To enhance accessibility, availability and stable food supply and to address any and all food security and agricultural issues;
- d. For the Local Government Unit (LGU) to generate more revenue to sustain the delivery of basic services; and
- e. To encourage landowners to improve, cultivate, develop and maintain their agricultural lands.

SEC. 3. *Definition of Terms.* - As used in this Act, the following terms shall mean:

- a. "Agricultural Lands" refer to lands devoted principally to the planting of trees, raising crops, livestock and poultry, dairying, salt making, inland fishery and similar aqua- culture activities and are not classified as mineral, timber, commercial or industrial lands.
- b. "Idle Lands" refer to agricultural land at least one (1) hectare in area that is suitable for cultivation and other agricultural purpose, one- half ($\frac{1}{2}$) of which remains uncultivated or unimproved by the landowner or any person having legal interest therein;

Lands other than agricultural, located in the city or municipality, more than One Thousand (1,000) square meters, one-half ($\frac{1}{2}$) of which remains uncultivated or unimproved by the landowner or any person having legal interest therein; and

Residential lots in subdivisions, regardless of area, duly approved by proper authorities, the ownership of which has been transferred to individual owners, who shall be liable for the additional tax: Provided, however, That individual lots of such subdivisions, the ownership of which has not been transferred to the buyer shall be considered as part of the subdivision, and shall be subject to the additional tax payable by subdivision owner or operator.

- c. "Local government unit" or "LGU" refers to any city, municipality, or barangay in the Philippines.
- d. "Idle lands tax" refers to an ad valorem tax imposed on idle lands as provided for in this Act.

SEC. 4. *Imposition of Idle Lands Tax.* - The Local Government Unit (LGU) where the idle land is situated shall have the power to impose the idle land tax at a rate of ten (10) percent based on the assessed value as determined by the provincial, city or municipal assessor where the property is situated.

SEC. 5. *Penalty for non- use of idle lands.* - Any person or juridical entity who knowingly or deliberately causes any agricultural lands of at least one (1) hectare or larger to lie idle or unproductive for at least one (1) year shall be liable for a penalty triple the assessed value of the property or Ten Thousand Pesos (PhP10,000.00) per hectare per year, whichever is higher,

The LGU shall have the power to impose an "idle lands tax" on all idle lands within their jurisdiction at a rate not exceeding one percent (1%) of the assessed value of the land per hectare per year to any person or juridical entity who knowingly or deliberately causes any agricultural lands at least one (1) hectare or larger to lie idle or unproductive for at least one (1) year. The LGU shall have shall have the authority to adjust the rate of the idle lands tax at the

rate of ten (10) percent per annum based on the assessed value of the property as determined by city, provincial or municipal assessor where the property is situate or Ten Thousand Pesos (PhP10, 000.00) per hectare per year, whichever is higher.

SEC. 6. *Idle Lands exempt from idle land tax.* - The Local Government Unit (LGU) concerned shall where the idle land is situated may exempt idle lands from tax by reason of force majeure, civil disturbance, natural disaster or calamity which prevents the landowner or any person with legal interest therein from improving, utilizing and cultivating the same.

SEC. 7. - *Collection of Idle Lands Tax.* - The LGU where the idle land is situated shall collect the idle lands tax from the landowners or any person with legal interest therein who shall knowingly or deliberately cause any agricultural land to lie idle or unproductive.

SEC. 8. *Implementation of the Idle Land Tax.* - The local Sanggunian concerned shall enact an ordinance for the imposition of the idle land tax in accordance with the pertinent provisions of Secs. 187, 188 and 189 of the Local Government Code.

SEC. 9. *Incentives for LGUs Collecting Idle Lands Tax.* - To encourage LGUs to efficiently collect the idle lands tax, the following incentives shall be provided:

- a. LGUs that collect at least eighty percent (80%) of the total idle lands tax due for a given year shall receive a bonus of fifty percent (50%) of the total amount collected, to be used for the development of their jurisdiction.
- b. LGUs that collect at least ninety percent (90%) of the total idle lands tax due for a given year shall receive a bonus of one hundred percent (100%) of the total amount collected, to be used for the development of their jurisdiction.

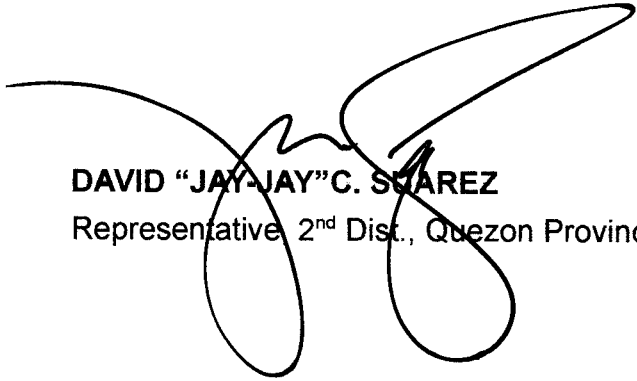
SEC. 10. *Reporting Requirements.* - LGUs shall submit an annual report to the Department of Interior and Local Government, outlining their efforts to collect the idle lands tax, the amount collected, and the use of the incentives received.

SEC. 11. *Repealing Clause.* - Any law, presidential decree, executive order, or any provision thereof inconsistent with the provisions of this Act is hereby repealed or modified accordingly.

SEC. 12. *Separability Clause.* - If any provision of this Act is declared invalid or unconstitutional, the other provisions not affected thereby shall continue to be in full force and effect.

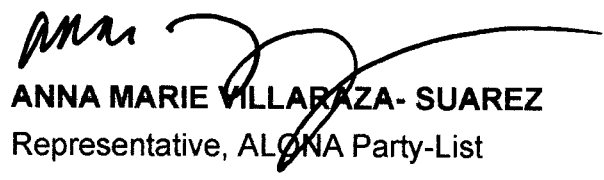
SEC. 13. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,



DAVID "JAY-JAY" C. SUAREZ

Representative, 2nd Dist., Quezon Province



ANNA MARIE VILLARAZA- SUAREZ

Representative, ALONA Party-List