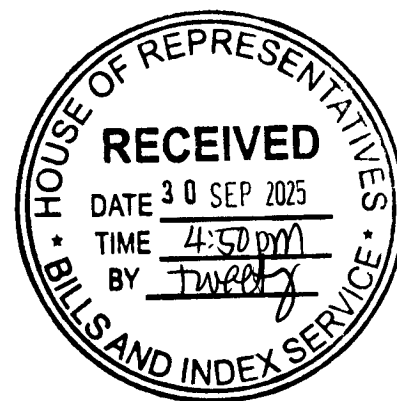


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 5023



Introduced by Representative Jan Rurik D. Padiernos, GP (Galing sa Puso) Party-List

EXPLANATORY NOTE

Land is one of the most vital resources of the Philippines. However, vast tracts of land across the country remain idle, underutilized, or deliberately held for speculative purposes. This contributes to inefficiencies in land distribution, weakens agricultural productivity, and delays rural development.

According to the Philippine Statistics Authority (PSA), an estimated 7.2 million hectares of agricultural land remain idle or underutilized, despite persistent poverty and unemployment in the countryside. Idle lands worsen food insecurity, deny local governments potential revenues, and contribute to inequitable land ownership.

The Constitution recognizes the duty of the State to promote a just and equitable distribution of land and to maximize its use for national development. To this end, taxation serves not only as a revenue measure but also as a regulatory tool to discourage land hoarding and speculative behavior.

This bill seeks to increase the idle land tax rates, strengthen enforcement mechanisms, and ensure that revenues generated are earmarked for agricultural modernization, land reform support services, and rural development programs. It provides a clear policy framework for the productive utilization of idle lands, particularly for food security and inclusive growth.

In view of the urgency to promote agricultural self-sufficiency and rural development, the passage of this measure is earnestly sought.


ATTY. JAN RURIK D. PADIERNOS
GP (Galing sa Puso) Party-List

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 5023

Introduced by Representative Jan Rurik D. Padiernos, GP (Galing sa Puso) Party-List

AN ACT
INSTITUTING AN IDLE LAND TAX REFORM TO DISCOURAGE LAND
HOARDING, PROMOTE AGRICULTURAL PRODUCTIVITY, AND ADVANCE
RURAL DEVELOPMENT, AMENDING FOR THE PURPOSE PERTINENT
PROVISIONS OF THE LOCAL GOVERNMENT CODE OF 1991, AND FOR OTHER
PURPOSES

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 Land Tax Reform Act.*”

SEC. 2. *Declaration of Policy.* - It is the policy of the State to ensure that land is utilized for the greatest benefit of the people, consistent with the principles of social justice, equitable land distribution, agricultural productivity, and sustainable rural development. The taxation of idle lands shall be strengthened to discourage hoarding, speculative holding, and underutilization of lands.

SEC. 3. *Definition of Idle Lands.* - For purposes of this Act, the term idle lands shall refer to:

(a) *Urban Idle Lands* refers to residential, commercial, or industrial lands within cities and municipalities that remain unproductive, unutilized, or substantially underutilized for more than two (2) consecutive years;

(b) *Rural Idle Lands* refers to agricultural lands suitable for cultivation that remain unplanted or unutilized for two (2) consecutive years, excluding those rendered idle due to fortuitous events, natural calamities, or government restrictions.

SEC. 4. *Amendment to the Local Government Code.* - Section 236 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, is hereby amended to read as follows:

“[A] The province [ø], city, or a municipality within the Metropolitan Manila Area, may levy an annual tax on idle lands at a rate of not [exceeding] LESS THAN five percent (5%) BUT

NOT MORE THAN TEN PERCENT (10%) of the assessed value of the property ~~[which shall be]~~, in addition to the basic real property tax.

IDLE RURAL AGRICULTURAL LANDS EXCEEDING FIFTY (50) HECTARES HELD BY NATURAL OR JURIDICAL PERSONS FOR SPECULATIVE PURPOSES SHALL BE SUBJECT TO AN ADDITIONAL SURTAX OF TWO PERCENT (2%) OF THEIR ASSESSED VALUE.”

SEC. 5. *Revenue Allocation.* - Proceeds from the idle land tax shall accrue as follows:

- (a) Fifty percent (50%) shall accrue to the local government unit (LGU) where the land is located;
- (b) Thirty percent (30%) shall accrue to the Department of Agriculture (DA) to support agricultural modernization programs; and
- (c) Twenty percent (20%) shall accrue to the Department of Agrarian Reform (DAR) for land reform support services and rural development.

SEC. 6. *Incentives for Productive Use.* - Landowners who convert idle lands into productive agricultural use, lease them to agrarian reform beneficiaries, or participate in government-recognized rural development programs shall be entitled to:

- (a) A tax amnesty on idle land surtax for a period of three (3) years; and
- (b) Tax credits equivalent to up to twenty percent (20%) of the converted land’s assessed idle tax value, applicable against future real property tax obligations.

SEC. 7. *Implementing Rules and Regulations.* - Within ninety (90) days from the effectivity of this Act, the Department of Finance (DOF), in consultation with the DA, DAR, and Department of the Interior and Local Government (DILG), shall promulgate the necessary rules and regulations to effectively implement this Act.

SEC. 8. *Separability Clause.* - If any provision of this Act is declared unconstitutional, the remainder shall not be affected thereby.

SEC. 9. *Repealing Clause.* - All laws, decrees, orders, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 10. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,