



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



TWENTIETH (20TH) CONGRESS
First Regular Session

HOUSE BILL NO. 7212

Introduced by KAMANGGAGAWA Partylist
Representative **ELIJAH R. SAN FERNANDO**

EXPLANATORY NOTE

The 1987 Constitution establishes social justice as a guiding principle of governance and directs the State to pursue an equitable distribution of opportunities, income, and wealth. In advancing this objective, the State is vested with the authority to regulate the use of property in the interest of the common good. Land, as a finite and indispensable resource, plays a central role in national development and carries a clear social dimension that demands responsible and productive use.

Notwithstanding, significant tracts of land across urban and peri-urban areas remain idle, underutilized, or deliberately withheld from productive use. These idle lands contribute neither to employment generation nor to local economic activity, yet they exacerbate housing shortages, inflate land values, and constrain inclusive development. In many cases, such lands are held purely for speculative purposes, allowing wealth accumulation without corresponding social contribution, while workers and low-income families bear the consequences through high rents, long commutes, and limited access to livable communities.

The Local Government Code of 1991 sought to address this concern by authorizing local government units to impose an additional ad valorem tax on idle lands. However, the existing ceiling of five percent has proven insufficient to discourage speculative landholding or to compel landowners to put prime land to productive use. As a result, idle land taxation has remained a weak policy instrument, unable to meaningfully influence land use behavior or support local development objectives.

This measure seeks to strengthen the idle land tax by increasing the allowable rate to ten percent of the assessed value of the property. By doing so, it reinforces the principle that ownership of land carries social obligations and that prolonged non-use of land imposes real costs on communities and workers alike. A higher idle land tax creates a clear incentive for landowners to either develop their properties, make them available for productive use, or release them into the market, thereby easing artificial land scarcity.

The proposed amendment also empowers local government units with a more effective fiscal and regulatory tool. Revenues generated from the increased tax may be used to support local services, infrastructure, and social programs that directly benefit working communities. More importantly, the measure aligns local land use policy with national development goals by encouraging more efficient urban growth, reducing land speculation, and supporting job creation through increased economic activity.

Ultimately, this bill recognizes that land policy is inseparable from labor conditions and social equity. When land is hoarded and left idle, it is the workers who suffer through reduced opportunities, higher living costs, and diminished quality of life. Through this measure, the State affirms that economic development must serve the many and not the few, and that property rights must be exercised in a manner consistent with the common good.

In solidarity with the working class, the passage of this bill is earnestly sought.



ELIJAH R. SAN FERNANDO
Representative
KAMANGGAGAWA PARTYLIST



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AN ACT
INCREASING THE TAX ON IDLE LANDS, AMENDING FOR THE PURPOSE
SECTION 236 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:

SECTION 1. *Tax Increase on Idle Land.* – Section 236 of Republic Act No. 7160, otherwise known as the “*Local Government Code of 1991*,” is hereby amended to read as follows:

“SECTION 236. *Additional Ad Valorem Tax on Idle Lands.* – A province or city, or a municipality within the Metropolitan Manila Area, may levy an annual tax on idle lands at the rate not exceeding [five percent (5%)] **TEN PERCENT (10%)** of the assessed value of the property, which shall be in addition to the basic real property tax.

SECTION 2. *Repealing Clause.* – All other laws, decrees, executive orders, implementing rules and regulations, issuances, or any part thereof inconsistent with the provisions of this Act are deemed repealed, amended, or modified accordingly.

SECTION 3. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication, in English and Filipino, in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,