

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 9231



Introduced by Lone District of Agusan del Norte Representative
HON. DALE B. CORVERA

AN ACT

REDISTRIBUTING THE SHARE OF THE METROPOLITAN MANILA DEVELOPMENT AUTHORITY IN THE NATIONAL TAX ALLOTMENT TO LOCAL GOVERNMENT UNITS, AMENDING FOR THE PURPOSE SECTION 10 (B) OF REPUBLIC ACT NO. 7924, ENTITLED “AN ACT CREATING THE METROPOLITAN MANILA DEVELOPMENT AUTHORITY, DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES”

EXPLANATORY NOTE

Section 284 of Republic Act (RA) No. 7160, otherwise known as the “Local Government Code of 1991”, provides that local government units (LGUs) shall receive 40% share from the national taxes based on the collection of the third fiscal year preceding the current year. Subsequently, Republic Act No. 7924 was enacted, creating the Metropolitan Manila Development Authority (MMDA) and providing among others that it shall continue to receive the Internal Revenue Allotment (now National Tax Allotment [NTA]) allocated to the now defunct Metro Manila Authority. In the present allocation of the NTA, the MMDA is considered as a province.

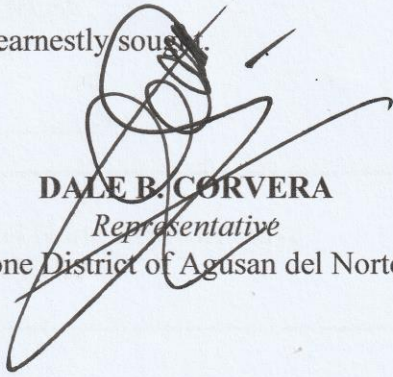
Apart from its allocation from the NTA, MMDA also receives: (1) annual appropriations from the General Appropriations Act; (2) income from fines, fees and charges that it is authorized to impose and collect; and more importantly, (3) Five percent (5%) of the total annual gross revenue of the preceding year, net of NTA, of each LGU in the Metropolitan Manila.

Hence, as the annual gross revenues of all the cities and municipality in the Metropolitan Manila exponentially increase due to dynamic economic activities, the respective shares of the MMDA proportionately increase with them. In fact, the total shares received by MMDA from constituent cities and municipality stood at P4.533-billion in 2025, which is substantially larger than its share from the NTA amounting to P0.817-billion in the same year or 18.02%.

With the local sourced revenue of highly urbanized cities and municipality in the Metropolitan Manila expected to steadily increase, MMDA’s NTA share may be best

reallocated to all the other provinces that will be expected to absorb more functions by FY 2028 pursuant to Executive Order No. 103 (s.2025), amending Executive Order No. 138 (s. 2021). Once redistributed, provinces are set to receive an average increase of P10-million that will translate into programs and services in the regions outside the Metropolitan Manila.

In view of the foregoing, approval of this bill is earnestly sought.



DALE B. CORVERA

Representative

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

Section 1. Declaration of Policy. – It is hereby declared a policy of the State to support the economic growth and development of its regions through the equitable provision of resources to be administered by local government units. Towards this end, more resources shall be made available to provinces outside self-sustaining and urbanized areas to ensure equitable progress and prosperity among Filipinos.

SEC 2. Section 10 of Republic Act No. 7924 is hereby amended to read as follows:

“Section 10. *Sources of Funds and the Operating Budget of MMDA:*

- (a) To carry out the purposes of this Act, the amount of One billion pesos (P1,000,000,000) is hereby authorized to be appropriated for the initial operation of the MMDA. Thereafter, the annual expenditures including capital outlays of the MMDA shall be provided in the General Appropriations Act.
- ~~(b) The MMDA shall continue to receive the Internal Revenue Allotment (IRA) currently allocated to the present MMA.~~
- ~~(c)~~**[B]** The MMDA is likewise empowered by levy fines, and impose fees and charges for various services rendered.

(d) [C] Five percent (5%) of the total annual gross revenue of the preceding year, net of the internal revenue allotment, of each local government unit mentioned in Section 2 hereof, shall accrue and become payable monthly to the MMDA by each city or municipality. In case of failure to remit the said fixed contribution, the DBM shall cause the disbursement of the same to MMDA chargeable against the IRA allotment of the city or municipality concerned, the provisions of Section 286 of RA 7160 to the contrary notwithstanding.”

SEC. 3. *Transitory Provision.* – The updated NTA of provinces shall be adjusted in the fiscal year immediately following the enactment of this Act.

SEC. 4. *Implementing Rules and Regulations.* – The Department of Budget and Management shall, in coordination with other relevant government agencies, formulate the rules and regulations necessary for the effective implementation of this Act within thirty (30) days after its approval.

SEC. 5. *Separability Clause.* – If, for any reason, any section, clause or term of this Act is held to be illegal, invalid, or unconstitutional, such parts not affected by such declaration shall remain in full force and effect.

SEC. 6. *Repealing Clause.* – All laws, presidential decrees, issuances, executive orders, letters of instruction, rules, and regulations inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 7. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,