

9 MAY -6 P1:47

SENATE  
S.B. No. **3218**

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Introduced by Senator Miriam Defensor Santiago

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#### EXPLANATORY NOTE

Since the passage of the Local Government Code in 1991, various reviews have uncovered complications in the implementation of the law which could be addressed by simplifying the process involved or by further defining the relationship of LGUs vis-à-vis other central government agencies (i.e., Bureau of Internal Revenue). Moreover, there is also a need to address the leakages from local tax revenues resulting from local tax exemptions enjoyed by government corporations and business entities covered by investment promotion laws.

- Simplifying the business tax to a single rate of 2.5% of gross sales or receipts which could increase annual collections from 21.8 billion pesos to 54.5 billion pesos.
- Adjusting the minimum level of the community tax from 5 pesos to 30 pesos and raising the additional tax for every 1,000 pesos of income from 1 peso to 2 pesos which would increase the annual collections from 954 billion pesos to 1.9 billion pesos.
- Including in the Spas, Karaoke bars, country and sports clubs in the list of businesses subject to local business taxes.
- Specifically requiring the BIR to share tax information with LGUs.
- Removing the local tax exemptions of government corporations and business qualifying for investment incentives.

These proposed initiatives would augment the collections of the local government units which they could use to fund their various projects.

*Miriam Defensor Santiago*  
MIRIAM DEFENSOR SANTIAGO

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S.B. No. **3218**

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1 AN ACT  
2 BROADENING THE SCOPE OF TAXING POWERS OF LOCAL GOVERNMENT UNITS  
3 (LGUs), AMENDING TITLE I, BOOK II OF REPUBLIC ACT 7160, OTHERWISE KNOWN  
4 AS THE LOCAL GOVERNMENT CODE OF 1991

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

7 SECTION 1. Section 143 of the Code is hereby amended to read as follows:

8 **SEC. 143 Tax on Business.** – The municipality may impose taxes on [the following]  
9 ANY business[es], including those subject to Franchise Tax under SEC. 137, AT RATES NOT  
10 EXCEEDING TWO AND A HALF PERCENT (2.5%) OF GROSS SALES OR RECEIPTS OF  
11 THE PRECEDING CALENDAR YEAR.

12 IN THE CASE OF EXPORTERS, INDIRECT EXPORTERS AND EXPORT SUB-  
13 CONTRACTORS, THE RATE SHALL BE ONE-HALF OF THE BUSINESS TAX RATE  
14 IMPOSED BY THE MUNICIPALITY IN ACCORDANCE WITH THE PRECEDING  
15 PARAGRAPH.

16 [ (a) On manufacturers, assemblers, repackers, processors, brewers, distillers, rectifiers, and  
17 compounders of liquors, distilled spirits, and wines or manufacturers of any article of commerce  
18 of whatever kind or nature, in accordance with the following schedule:

19 With gross sales or receipts for the Amount of Tax preceding calendar year in the amount of:

20 Amount of Tax Per Annum

21 Less than 10,000.00	165.00
22 P 10,000.00 or more but less than 15,000.00	220.00
23 15,000.00 or more but less than 20,000.00	302.00
24 20,000.00 or more but less than 30,000.00	440.00

1	30,000.00 or more but less than 40,000.00	660.00
2	660.00 40,000.00 or more but less than 50,000.00	825.00
3	50,000.00 or more but less than 75,000.00	1,320.00
4	75,000.00 or more but less than 100,000.00	1,650.00
5	100,000.00 or more but less than 150,000.00	2,200.00
6	150,000.00 or more but less than 200,000.00	2,750.00
7	200,000.00 or more but less than 300,000.00	3,850.00
8	300,000.00 or more but less than 500,000.00	5,500.00
9	500,000.00 or more but less than 750,000.00	8,000.00
10	750,000.00 or more but less than 1,000,000.00	10,000.00
11	1,000,000.00 or more but less than 2,000,000.00	13,750.00
12	2,000,000.00 or more but less than 3,000,000.00	16,500.00
13	3,000,000.00 or more but less than 4,000,000.00	19,800.00
14	4,000,000.00 or more but less than 5,000,000.00	23,100.00
15	5,000,000.00 or more but less than 6,500,000.00	24,375.00
16	6,500,000.00 or more at a rate not exceeding thirty-seven and a half percent (37 1/2%) of one	
17	percent (1%)	

18 (b) On wholesalers, distributors, or dealers in any article of commerce of whatever kind or nature  
19 in accordance with the following schedule:

20 With gross sales or receipts for the Amount of Tax preceding calendar year in the amount of:

21	Amount of Tax	
22	Per Annum	
23	Less than P1,000.00	18.00
24	P 1,000.00 or more but less than P 2,000.00	33.00
25	2,000.00 or more but less than 3,000.00	50.00
26	3,000.00 or more but less than 4,000.00	72.00
27	4,000.00 or more but less than 5,000.00	100.00
28	5,000.00 or more but less than 6,000.00	121.00
29	6,000.00 or more but less than 7,000.00	143.00

1	7,000.00 or more but less than 8,000.00	165.00
2	8,000.00 or more but less than 10,000.00	187.00
3	10,000.00 or more but less than 15,000.00	220.00
4	15,000.00 or more but less than 20,000.00	275.00
5	20,000.00 or more but less than 30,000.00	330.00
6	30,000.00 or more but less than 40,000.00	440.00
7	40,000.00 or more but less than 50,000.00	660.00
8	50,000.00 or more but less than 75,000.00	990.00
9	75,000.00 or more but less than 100,000.00	1,320.00
10	100,000.00 or more but less than 150,000.00	1,870.00
11	150,000.00 or more but less than 200,000.00	2,420.00
12	200,000.00 or more but less than 300,000.00	3,300.00
13	300,000.00 or more but less than 500,000.00	4,400.00
14	500,000.00 or more but less than 750,000.00	6,600.00
15	750,000.00 or more but less than 1,000,000.00	8,800.00
16	1,000,000.00 or more but less than 2,000,000.00	10,000.00
17	2,000,000.00 or more at a rate not exceeding fifty percent (50%) of one percent (1%). (c) On	
18	exporters, and on manufacturers, millers, producers, wholesalers, distributors, dealers or retailers	
19	of essential commodities enumerated hereunder at a rate not exceeding one-half (1/2) of the rates	
20	prescribed under subsections (a), (b) and (d) of this Section:	
21	(1) Rice and corn;	
22	(2) Wheat or cassava flour, meat, dairy products, locally manufactured, processed or preserved	
23	food, sugar, salt and other agricultural, marine, and fresh water products, whether in their	
24	original state or not;	
25	(3) Cooking oil and cooking gas;	
26	(4) Laundry soap, detergents, and medicine;	
27	(5) Agricultural implements, equipment and post- harvest facilities, fertilizers, pesticides,	
28	insecticides, herbicides and other farm inputs;	
29	(6) Poultry feeds and other animal feeds;	

1 (7) School supplies; and

2 (8) Cement.

3 (d) On Retailers.

4 With gross sales or receipts Rate of tax for the preceding calendar year of:

5	Rate of Tax
6	per annum
7 P400,000.00 or less	2%
8 more than P400,000.00	1%

9 Provided, however, That barangays shall have the exclusive power to levy taxes, as provided  
10 under Section 152 hereof, on gross sales or receipts of the preceding calendar year of Fifty  
11 thousand pesos (P50,000.00) or less, in the case of cities, and Thirty thousand pesos  
12 (P30,000.00) or less, in the case of municipalities.

13 (e) On contractors and other independent contractors, in accordance with the following schedule:

14 With gross receipts for the preceding calendar year in the amount of:

15	Amount of Tax Per Annum
16 Less than P= 5,000.00	27.50
17 P 5,000.00 or more but less than P 10,000.00	61.60
18 10,000.00 or more but less than 15,000.00	104.50
19 15,000.00 or more but less than 20,000.00	165.00
20 20,000.00 or more but less than 30,000.00	275.00
21 30,000.00 or more but less than 40,000.00	385.00
22 40,000.00 or more but less than 50,000.00	550.00
23 50,000.00 or more but less than 75,000.00	880.00
24 75,000.00 or more but less than 100,000.00	1,320.00
25 100,000.00 or more but less than 150,000.00	1,980.00
26 150,000.00 or more but less than 200,000.00	2,640.00
27 200,000.00 or more but less than 250,000.00	3,630.00
28 250,000.00 or more but less than 300,000.00	4,620.00
29 300,000.00 or more but less than 400,000.00	6,160.00

1	400,000.00 or more but less than 500,000.00	8,250.00
2	500,000.00 or more but less than 750,000.00	9,250.00
3	750,000.00 or more but less than 1,000,000.00	10,250.00
4	1,000,000.00 or more but less than 2,000,000.00	11,500.00
5	2,000,000.00 or more at a rate not exceeding fifty percent (50%) of one percent (1%)	

6 (f) On banks and other financial institutions, at a rate not exceeding fifty percent (50%) of one  
7 percent (1%) on the gross receipts of the preceding calendar year derived from interest,  
8 commissions and discounts from lending activities, income from financial leasing, dividends,  
9 rentals on property and profit from exchange or sale of property, insurance premium.

10 (g) On peddlers engaged in the sale of any merchandise or article of commerce, at a rate not  
11 exceeding Fifty pesos (P50.00) per peddler annually.

12 (h) On any business, not otherwise specified in the preceding paragraphs, which the sanggunian  
13 concerned may deem proper to tax: Provided, That on any business subject to the excise, value-  
14 added or percentage tax under the National Internal Revenue Code, as amended, the rate of tax  
15 shall not exceed two percent (2%) of gross sales or receipts of the preceding calendar year. The  
16 sanggunian concerned may prescribe a schedule of graduated tax rates but in no case to exceed  
17 the rates prescribed herein. ]

18 SECTION 2. Section 146 of the Code is hereby amended to read as follows:

19 **SEC. 146. Payment of Business Taxes.** – (a) The taxes imposed under SEC. 143 shall  
20 be payable for every separate or distinct establishment or place where business subject to the tax  
21 is conducted and one line of business does not become exempt by being conducted with some  
22 other business for which such tax has been paid. The tax on a business must be paid by the  
23 person conducting the same.

24 (b) In cases where a person conducts or operates two (2) or more [of the] businesses [mentioned  
25 in SEC. 143 of this Code] which are subject to the same rate of tax, the tax shall be computed on  
26 the combined total gross sales or receipts of the said two (2) or more related businesses.

1 (c) In cases where a person conducts or operates two (2) or more businesses [mentioned in SEC.  
2 143 of this Code] which are subject to different rates of tax, the gross sales or receipts of each  
3 business shall be separately reported for the purpose of computing the tax due from each  
4 business.”

5 SECTION 3. Section 148 (b) is hereby amended to read as follows:

6 **SEC. 148 Fees for Sealing and Licensing of Weights and Measures.**

7 (a) XXX

8 (b) The Sangguniang Bayan shall prescribe the necessary regulations for the use of such  
9 weights and measures, subject to such guidelines as shall be prescribed by the  
10 Department of Science and Technology. The Sanggunian concerned shall, by  
11 appropriate ordinance, penalize fraudulent practices and unlawful possession or use of  
12 instruments of weights and measures and prescribe the criminal penalty therefore in  
13 accordance with the provisions of this Code. Provided, however, That the Sanggunian  
14 concerned may authorize the municipal treasurer to settle an offence not involving the  
15 commission of fraud before a case therefore is filed in court, upon payment of a  
16 compounded penalty AS PRESCRIBED BY THE SANGGUNIAN BUT of not less than  
17 [Two hundred pesos (P200)] ONE THOUSAND PESOS (P1,000). THE SANGGUNIAN  
18 MAY INCREASE THE CEILING ON THE PROFESSIONAL TAX ONCE EVERY  
19 THREE (3) YEARS BASED ON THE PAST THREE (3) YEAR AVERAGE OF THE  
20 CONSUMER PRICE INDEX AS OFFICIALLY PUBLISHED BY THE NATIONAL  
21 STATISTICS COORDINATING BOARD”.

22 SECTION 4. Section 149 (a) and (b) (3) of the Code is hereby amended to read as  
23 follows:

24 **SEC. 149. Fishery Rentals, Fees and Charges.**

25 (a) Municipalities shall have the exclusive authority to grant fishery privileges in the municipal  
26 waters and impose rentals, fees or charges therefore in accordance with the provisions of this  
27 [Code] SECTION; PROVIDED THAT, RENTALS, FEES OR CHARGES ARE BASED ON  
28 ESTIMATES OF RESOURCE RENT AS DETERMINED BY THE SANGGUNIAN  
29 CONCERNED IN CONSULTATION WITH THE FISHERIES AND AQUATIC RESOURCE



1 MANAGEMENT COUNCILS (FARMC) ESTABLISHED UNDER REPUBLIC ACT  
2 NUMBER 8550, OTHERWISE KNOWN AS THE PHILIPPINE FISHERIES CODE OF 1998.

3 (b)

4 (1) XXX

5 (2) XXX

6 (c) Issue licenses for the operation of fishing vessels of three (3) tons or less for which purpose  
7 the Sangguniang Bayan shall promulgate rules and regulations regarding the issuances of such  
8 licenses to qualified applicants under existing laws. PROVIDED THAT THE TOTAL  
9 NUMBER OF LICENSES ISSUED IN CONSONANT WITH THE TOTAL ALLOWABLE  
10 CATCH AS DETERMINED BY THE SANGGUNIAN CONCERNED, IN CONSULTATION  
11 WITH THE FISHERIES AND AQUATIC RESOURCE MANAGEMENT COUNCILS  
12 (FARMC).

13 SECTION 5. Section 150 of the Code is hereby amended to read as follows:

14 **SEC. 150. Situs of the Tax.** - (a) For purposes of collection of the taxes under SEC.  
15 143 of this Code, [manufacturers, assemblers, repackers, brewers, distillers, rectifiers and  
16 compounders of liquor, distilled spirits and wines, millers, producers, exporters, wholesalers,  
17 distributors, dealers, contractors, banks and other financial institutions, and other] ALL  
18 businesses[,] maintaining or operating branch or sales outlet elsewhere shall record the sale in  
19 the branch or sales outlet making the sale or transaction, and the tax thereon shall accrue and  
20 shall be paid to the CITY OR municipality where such branch or sales outlet is located. In cases  
21 where there is no such branch or sales outlet in the city or municipality where the sale or  
22 transaction is made, the sale shall be duly recorded in the principal office and the taxes due shall  
23 accrue and shall be paid to such city or municipality.

24 (b) The following sales allocation shall apply to [manufacturers, assemblers, contractors,  
25 producers, and exporters] ALL BUSINESSES with factories, project offices, plants, and  
26 plantations in the pursuit of their business:

27 (1) Thirty percent (30%) of all sales recorded in the principal office shall be taxable by the city  
28 or municipality where the principal office is located; and

1 (2) Seventy percent (70%) of all sales recorded in the principal office shall be taxable by the city  
2 or municipality where the factory, project office, plant, or plantation is located.

3 (c) In case of a plantation located at a place other than the place where the factory is located, said  
4 seventy percent (70%) mentioned in subparagraph (b) of subsection (2) above shall be divided as  
5 follows:

6 (1) Sixty percent (60%) to the city or municipality where the factory is located; and

7 (2) Forty percent (40%) to the city or municipality where the plantation is located.

8 (d) In cases where a [manufacturer, assembler, producer, exporter or contractor] BUSINESS has  
9 two (2) or more factories, project offices, plants, or plantations located in different localities, the  
10 seventy percent (70%) sales allocation mentioned in subparagraph (b) of subsection (2) above  
11 shall be prorated among the localities where the factories, project offices, plants, and plantations  
12 are located in proportion to their respective volumes of production during the period for which  
13 the tax is due.

14 SECTION 6. Section 151 of the Code is hereby amended to read as follows:

15 **SEC. 151. Scope of Taxing Powers.** - Except as otherwise provided in this Code, the  
16 city, may levy the taxes, fees, and charges which the province or municipality may impose:  
17 Provided, however, That the taxes, fees and charges levied and collected by highly urbanized and  
18 independent component cities shall accrue to them and distributed in accordance with the  
19 provisions of this code.

20 SECTION 7. Section 152 of the Code is hereby amended to read as follows:

21 **SEC. 152. Scope of Taxing Powers.** - The Barangays may levy taxes, fees and charges,  
22 as provided in this Article, which shall exclusively accrue to them: (a) Taxes – On stores or  
23 retailers with fixed business establishments with gross sales or receipts of the preceding calendar  
24 year of [Fifty] ONE HUNDRED Thousand pesos [(P50,000)] (P100,000) or less, in the case of  
25 cities and [Thirty] SIXTY thousand pesos [(P30,000)] (P60,000) or less, in the case of  
26 municipalities, at a rate not exceeding one percent (1%) on such gross sales or receipts.

27 SECTION 8. Section 155 of the Code is hereby amended to read as follows:

1           **SEC. 155 Toll Fees or Charges.** - The Sanggunian concerned may prescribe the terms  
2 and conditions and fix the rates for the imposition of toll fees or charges for the use of any public  
3 road, pier or wharf, waterway, bridge, ferry or telecommunication system funded and constructed  
4 by the local government unit concerned[: *Provided*, That no such toll fees or charges shall be  
5 collected from officers and enlisted men of the Armed Forces of the Philippines and members of  
6 the Philippine National Police, on mission, post office personnel delivering mail, physically-  
7 handicapped, and disabled who are sixty-five (65) years or older.] EXCEPT GOVERNMENT  
8 VEHICLES.

9           SECTION 9. Section 157 of the Code is hereby amended to read as follows:

10           **SEC. 157 Individuals Liable to Community Tax.** - Every inhabitant of the Philippines  
11 eighteen (18) years of age or over who has been regularly employed on a wage or salary basis for  
12 at least thirty (30) consecutive working days during any calendar year, or who is engaged in  
13 business or occupation, or who owns real property with an aggregate market value of One  
14 thousand pesos (P1,000) or more, or who is required by law to file an income tax return shall pay  
15 an annual community tax of NOT MORE THAN [Five] THIRTY pesos [(P5)] (P30) and an  
16 annual additional tax of NOT MORE THAN [One Peso (P1)] TWO PESOS (P2) for every One  
17 Thousand pesos (P1,000) of income [regardless of whether] from business, exercise of  
18 profession, EMPLOYMENT or from property [which in no case shall exceed Five Thousand  
19 pesos (P5,000)]. In the case of husband and wife, the additional tax herein imposed shall be  
20 based upon the total property owned by them and the total gross receipts or earnings derived by  
21 them. PROVIDED, THAT DISABLED PERSONS AND SENIOR CITIZENS NOT  
22 GAINFULLY EMPLOYED, NOT ENGAGED IN BUSINESS OR EARNING LESS THAN  
23 SIXTY THOUSAND PESOS (P60,000.00) ANNUALLY SHALL PAY A FIX AMOUNT OF  
24 THIRTY PESOS (P30).

25           SECTION 10. Section 158 of the Code is hereby amended to read as follows:

26           **SEC. 158. Juridical Persons Liable to Community Tax.** - Every corporation no  
27 matter how created or organized, whether domestic or resident foreign, engaged in or doing  
28 business in the Philippines shall pay an annual community tax of [Five hundred] ONE

1 THOUSAND pesos [(P=500)] (P1,000) and an annual additional tax [, which, in no case, shall  
2 exceed Ten thousand pesos (P=10,000)] in accordance with the following schedule:

3 (1) For every [Five thousand pesos (P5,000.00)] ONE THOUSAND PESOS(P1,000) worth of  
4 real property in the Philippines owned by it during the preceding year based on the valuation  
5 used for the payment of the real property tax under existing laws, found in the assessment rolls of  
6 the city or municipality where the real property is situated – [Two Pesos (P2.00)] THREE  
7 PESOS (P3.00); and

8 (2) For every [Five thousand pesos (P5,000)] ONE THOUSAND PESOS (P1,000) of gross  
9 receipts or earnings derived by it from its business in the Philippines during the preceding year -  
10 [Two Pesos (P2.00)] THREE PESOS (P3.00). The dividends received by a corporation from  
11 another corporation however shall, for the purpose of the additional tax, be considered as part of  
12 the gross receipts or earnings of said corporation.

13 SECTION 11. Section 162 of the Code is hereby amended to read as follows:

14 **SEC. 162. Community Tax Certificate.** - A community tax certificate shall be issued  
15 to every person or corporation upon payment of the community tax. A community tax certificate  
16 may also be issued to any person or corporation not subject to the community tax upon payment  
17 of [One (1) peso.] THIRTY PESOS (P30).

18 SECTION 12. Section 171 of the Code is hereby amended to read as follows:

19 **Sec. 171. Examination of Books of Accounts and Pertinent Records of Businessmen**  
20 **by Local Treasurers.** - The provincial, city, municipal or Barangay treasurer may, by himself or  
21 through any of his deputies duly authorized in writing, examine the books, accounts, and other  
22 pertinent records of any person, partnership, corporation, or association subject to local taxes,  
23 fees and charges in order to ascertain, assess, and collect the correct amount of the tax, fee, or  
24 charge. Such examination shall be made during regular business hours, only once for every tax  
25 period, and shall be certified to by the examining official. Such certificate shall be made of  
26 record in the books of accounts of the taxpayer examined.

27 In case the examination herein authorized is made by a duly authorized deputy of the local  
28 treasurer, the written authority of the deputy concerned shall specifically state the name, address,  
29 and business of the taxpayer whose books, accounts, and pertinent records are to be examined,

1 the date and place of such examination, and the procedure to be followed in conducting the same.  
2 For this purpose, the records of the revenue district office of the Bureau of Internal Revenue  
3 shall be made available to the local treasurer, his deputy or duly authorized representative. THE  
4 REVENUE DISTRICT OFFICER SHALL, UPON REQUEST, FURNISH THE CITY OR  
5 MUNICIPAL TREASURER, SUCH OTHER PERTINENT INFORMATION REQUIRED IN  
6 SAID EXAMINATION. THE CITY AND MUNICIPAL TREASURERS SHALL AT ALL  
7 TIMES KEEP SAID INFORMATION RECEIVED BY HIM, HIS DEPUTY OR DULY  
8 AUTHORIZED REPRESENTATIVE AS STRICTLY CONFIDENTIAL AND SHALL BE  
9 USED ONLY TO ASCERTAIN, ASSESS, AND COLLECT THE CORRECT AMOUNT OF  
10 LOCAL TAX, FEE OR CHARGE. SUCH RECORDS SHALL NOT BE DIVULGED TO ANY  
11 THIRD PERSONS EXCEPT UPON ORDER OF COURT OF COMPETENT JURISDICTION.  
12 THE CITY OR MUNICIPAL TREASURER OR HIS DULY AUTHORIZED DEPUTY OR  
13 REPRESENTATIVE SHALL BE ADMINISTRATIVELY LIABLE FOR ITS DISCLOSURE  
14 TO ANY THIRD PARTY OR PERSON, WITHOUT PREJUDICE TO PROSECUTION  
15 UNDER EXISTING LAWS.

16 THE EXAMINATION SHALL BE MADE DURING REGULAR BUSINESS HOURS NOT  
17 OFTENER THAN ONCE A YEAR FOR EVERY TAX PERIOD, WHICH SHALL BE THE  
18 YEAR IMMEDIATELY PRECEEDING THE EXAMINATION, AND SHALL BE  
19 CERTIFIED B Y THE EXAMINING OFFICIAL. SUCH CERTIFICATION SHALL BE  
20 MADE OF RECORD IN THE BOOKS OF ACCOUNTS OF THE TAXPAYER EXAMINED.

21 ALL BUSINESSES SHOULD KEEP PROPER BOOKS OF ACCOUNTS. IN THE CASE OF  
22 BUSINESSES WITH REVENUES ABOVE SIX HUNDRED THOUSAND PESOS  
23 (P600,000.00), THE FINANCIAL STATEMENTS MUST BE AUDITED BY A CERTIFIED  
24 PUBLIC ACCOUNTANT. FOR BUSINESSES WITH REVENUES ABOVE ONE  
25 HUNDRED THOUSAND PESOS (P100,000.00) BUT BELOW SIX HUNDRED THOUSAND  
26 PESOS (P600,000.00), THE ACCOUNTS SHOULD BE PREPARED BY A BOOKKEEPER.

27 SECTION 13. Section 188 of the Code is hereby amended to read as follows:

28 **SEC. 188 Publication of Tax Ordinances and Revenue Measures** -Within FIFTEEN  
29 (15) [ten] days after their approval, certified true copies of all provincial, city and municipal tax

1 ordinances or revenue measures shall be published in full for three (3) consecutive days in a  
2 DAILY newspaper PUBLISHED AND CIRCULATED LOCALLY [of local circulation] OR  
3 ONCE A WEEK FOR THREE (3) CONSECUTIVE WEEKS IN CASE OF A WEEKLY  
4 NEWSPAPER PUBLISHED AND CIRCULATED LOCALLY [*Provided, however: That*], [i]  
5 In provinces, cities, and municipalities where there are no newspapers THAT ARE PUBLISHED  
6 AND CIRCULATED LOCALLY [of local circulation], the same [may] SHALL INSTEAD be  
7 posted FOR AT LEAST ONE (1) MONTH in PROVINCIAL CAPITOLS, CITY OR  
8 MUNICIPAL HALLS, ALL BARANGAY HALLS AND OTHER [at least two (2)]  
9 conspicuous and publicly accessible places.

10 SECTION 14. Section 192 of the Code is hereby amended to read as follows:

11 **SEC. 192 Authority to grant Local Tax Exemption Privileges** - UNLESS  
12 OTHERWISE PROVIDED IN THIS CODE, THE local government units [may], through duly  
13 [ordinances] approved ORDINANCES, MAY grant tax exemptions, incentives or reliefs FOR  
14 THE PURPOSE OF PROMOTING OR ENCOURAGING INVESTMENTS IN THEIR  
15 JURISDICTIONS, under such terms and conditions as they may deem necessary; PROVIDED  
16 THAT THE DURATION OF SUCH INCENTIVES SHALL NOT EXCEED FIVE (5)  
17 CONSECUTIVE YEARS FROM THE EFFECTIVE DATE GRANTING THE INCENTIVE:  
18 PROVIDED, FURTHER THAT SUCH INCENTIVE SHALL BE AVAILED ONLY ONCE.

19 SECTION 15. Section 193 of the Code is hereby amended to read as follows:

20 **SEC. 193 Withdrawal of Tax Exemption Privileges.** - Unless otherwise provided in  
21 this Code, tax exemptions or incentives granted to, or presently enjoyed by all persons, whether  
22 natural or juridical, including government-owned or controlled corporations, AND OTHER  
23 SIMILAR GOVERNMENT AGENCIES OR ENTITIES GENERATING REVENUES AS  
24 DETERMINED BY THE DEPARTMENT OF FINANCE SUCH AS, BUT NOT LIMITED TO  
25 PHILIPPINE PORTS AUTHORITY, MANILA INTERNATIONAL AIRPORT AUTHORITY,  
26 PHILIPPINE RECLAMATION AUTHORITY, PHILIPPINE RETIREMENT AUTHORITY  
27 [except local water districts, cooperatives duly registered under R.A. 6398, non-stock and non-  
28 profit hospitals and educational institutions,] are hereby withdrawn effective January 1, 2009.

1 EXCEPT AS PROVIDED HEREIN, NO LAW PROVIDING TAX EXEMPTION FROM  
2 LOCAL GOVERNMENT TAXES, FEES AND CHARGES SHALL BE ENACTED  
3 WITHOUT PRIOR CONSULTATION WITH THE LEAGUE OF CITIES, LEAGUE OF  
4 PROVINCES, LEAGUE OF MUNICIPALITIES AND LIGA NG MGA BARANGAY AND  
5 PRIOR RECOMMENDATION OF THE DEPARTMENT OF FINANCE.

6 SECTION 16. *Separability Clause.* – If any provision or part thereof is held invalid or  
7 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain  
8 valid and subsisting.

9 SECTION 17. *Repealing Clause.* – All laws, presidential decree or issuance, executive  
10 orders, letter of instruction, administrative order, rule and regulation contrary to, or inconsistent  
11 with the provisions of this Act are hereby repealed, modified, or amended accordingly.

12 SECTION 18. *Effectivity Clause.* – This Act shall take effect fifteen (15) days following  
13 its publication in at least two (2) newspapers of general circulation.

14 Approved,