

THIRTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

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S E N A T E

S. No. 346

Introduced by Senator S. R. Osmeña III

EXPLANATORY NOTE

As part of efforts to provide the masses with decent housing, the government continues to pursue a mechanism to ensure the high quality of housing programs.

Section 9 of Article XIII of the Constitution provides that "The State shall, by law, and for the common good, undertake in cooperation with the private sector a continuing program of urban land reform and housing which will make available at affordable cost decent housing and basic services to underprivileged and homeless citizens in urban and resettlement areas."

Pursuant to said policy, Republic Act No. 7279, otherwise known as Urban Devopment and Housing Act, was enacted in 1992. It aimed to provide decent and adequate housing to the poor. Recognizing the limited government resources which cannot seem to cope with the growing demand for housing, its authors inserted a provision granting a package of incentives to encourage greater private sector participation in socialized housing. However, conflicting interpretations on the coverage of the exemption from the payment of documentary stamp tax, lessened the efficacy of the law.

Aside from putting emphasis on the need to provide shelter security, especially for the poor, as a strategy to alleviate the problem of poverty, this bill vows to generate wider private sector participation in the housing industry. By amending RA 7279, it seeks to reduce the cost of socialized housing development for developers thereby, making housing units more affordable for millions of homeless Filipino families.



SERGIO OSMEÑA III
Senator

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AN ACT
AMENDING REPUBLIC ACT NO. 7279, OTHERWISE KNOWN AS THE
URBAN DEVELOPMENT AND HOUSING ACT OF 1992, AND FOR OTHER
PURPOSES

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

1 SECTION 1. – Section 20 of Republic Act No. 7279, otherwise known as
2 the Urban Development and Housing Act of 1992, is hereby amended to read as
3 follows:

4 "SEC. 20. Incentives for Private Sector Participating in Socialized
5 Housing. – To encourage greater private sector participation in socialized
6 housing and further reduce the cost of housing units for the benefit of the
7 underprivileged and homeless, the following incentives shall be extended
8 to the private sector:

9 (a) Reduction and simplification of qualification and
10 accreditation requirements for participating private developers;

11 (b) Creation of [one-stop officers in the different] ECONOMIC
12 AND SOCIAL HOUSING ONE-STOP PROCESSING CENTERS IN ALL
13 THE ADMINISTRATIVE regions of the country for the processing,
14 approval and issuance of clearances, permits and licenses: Provided, That
15 clearances, permits and licenses shall be issued within ninety (90) days
16 from the date of submission of all requirements by the participating private
17 developers;

- 1 (c) Simplification of financing procedures; and
- 2 (d) Exemption from the payment of the following:
 - 3 (1) Project-related income taxes;
 - 4 (2) Capital gains tax on raw lands used for the project;
 - 5 (3) Value-added tax for the project contractor concerned;
 - 6 (4) Transfer tax for both raw completed projects; [and]
 - 7 (5) Donor's tax for lands certified by the local government units
 - 8 to have been donated to socialized housing purposes[.];
 - 9 AND
 - 10 (6) DOCUMENTARY STAMP TAX AND REGISTRATION
 - 11 FEES, INCLUDING FEES REQUIRED FOR THE
 - 12 ISSUANCE OF TRANSFER CERTIFICATE OF TITLES:

13 "Provided, That upon application for exemption, a lien on the title of
14 the land shall be annotated by the Register of Deeds: Provided, further,
15 That the socialized housing development plan has already been approved
16 by the appropriate government agencies concerned: Provided, finally,
17 That all the savings acquired by virtue of this provision shall accrue in
18 favor of the beneficiaries subject to the implementing guidelines to be
19 issued by the Housing and Urban Development Coordinating Council.

20 "Appropriate implementing guidelines shall be prepared by the
21 Department of Finance, in consultation with the Housing and Urban
22 Development Coordinating Council, for the proper implementation of the
23 tax exemption mentioned in this section within one (1) year after the
24 approval of this Act.

25 "Property owners who voluntarily provide resettlement sites to
26 illegal occupants of their lands shall be entitled to a tax credit equivalent to
27 the actual non-recoverable expenses incurred in the resettlement, subject
28 to the implementing guidelines jointly issued by the Housing and Urban
29 Development Coordinating Council and the Department of Finance."

1 SEC. 2. **Repealing Clause.** – All laws, executive orders, letters of
2 instructions, rules and regulations, or provisions thereof which are inconsistent
3 with the provisions of this Act are hereby repealed, amended or modified
4 accordingly.

5 SEC. 3. **Effectivity Clause.** – This Act shall take effect fifteen (15) days
6 after the completion of its publication in at least two (2) newspapers of general
7 circulation.

Approved,