

THIRTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session

SENATE
OFFICE OF THE SECRETARY

'04 JUN 30 P5:10

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SENATE
S. No. 398

Introduced by Senator S. R. Osmeña III

EXPLANATORY NOTE

The 1987 Constitution recognizes the importance of local governments. It provides as a policy that "The State shall guarantee and promote the autonomy of the local government units-especially the barangays- to ensure their fullest development as self-reliant communities."

The transfer of resources from the national government to local government units to carry out the constitutional mandate was done through the enactment of the Local Government Code in 1991. However, while the law identified the sources of revenue for the barangay, some of the provisions were vague as to when the barangays shall enjoy the revenue due to it. A case in point is the 50% share of the barangay in its community tax collection. This situation has invariably led to the delay in the collection of this revenue by our barangays.

This bill seeks to remedy the situation by amending Section 164 © (2) of the LGC to allow the barangay treasurer concerned to automatically retain the 50% *barangay share in the community tax collection and remit the share of the city or municipality within ten (10) days after the end of each month.*

S. Osmeña III
SERGIO OSMEÑA III
Senator

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S E N A T E

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AN ACT
PROVIDING FOR THE AUTOMATIC RETENTION BY THE BARANGAY OF
ITS SHARE OF FIFTY PERCENT (50%) IN THE COMMUNITY TAX
COLLECTED BY SAID BARANGAY, AMENDING FOR THE PURPOSE
SECTION 164 OF REPUBLIC ACT 7160, OTHERWISE KNOWN AS 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:*

1 SECTION 1. Section 164 of Republic Act No. 7160, otherwise known as
2 the Local Government Code of 1991, is hereby amended to read as follows:

3 "SECTION 164. Printing of Community Tax Certificates and Distribution of
4 Proceeds- (a) The Bureau of Internal Revenue shall cause the printing of
5 community tax certificates and distribute the same to the cities and municipalities
6 through the city and municipal treasurers in accordance with prescribed
7 regulations.

8 The proceeds of the tax shall accrue to the general funds of the cities,
9 municipalities and barangays except a portion thereof which shall accrue to the
10 general fun of the national government to cover the actual cost of printing and
11 distribution of the forms and other related expenses. The city or municipal
12 treasurer concerned shall remit to the national treasurer the said share of
13 national government in the proceeds of the tax within ten (10) days after the end
14 of each quarter.

1 b) The city or municipal treasurer shall deputize the barangay treasurer to
2 collect the community tax in their respective jurisdictions: Provided, however,
3 That said barangay treasurer shall be bonded in accordance with existing laws.

4 c) The proceeds of the community tax actually and directly collected by
5 the city or municipal treasurer shall accrue entirely to the general fund of the city
6 or municipality concerned. However, proceeds of the community tax collected
7 through the barangay treasurers shall be apportioned as follows:

8 1) Fifty percent (50%) shall accrue to the general fund of the city or
9 municipality concerned; and

10 2) Fifty percent (50%) shall accrue to the barangay [where the tax is
11 collected] WHICH COLLECTED THE TAX.

12 THE BARANGAY TREASURER CONCERNED SHALL
13 AUTOMATICALLY RETAIN THE SHARE OF THE BARANGAY AND REMIT
14 THE SHARE OF THE CITY OR MUNICIPALITY CONCERNED WITHIN TEN
15 (10) DAYS AFTER THE END OF THE MONTH.”

16 SEC. 2. **Repealing Clause.** – All laws, decrees, executive orders,
17 memorandum orders, memorandum circulars, administrative orders, ordinances
18 or nay part thereof, inconsistent herewith are hereby deemed repealed or
19 modified accordingly.

20 SEC. 3. **Effectivity Clause.** – This Act shall take effect (15) days after its
21 complete publication in at least two (2) newspapers of general circulation.

22 Approved,