

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



'13 JUL -1 P1:27

SENATE
SENATE BILL NO. 113

RECEIVED BY: *ja*

Introduced by Senator Ferdinand R. Marcos, Jr.

EXPLANATORY NOTE

The enactment of the Local Government Code (LGC) of 1991 with its concept of local autonomy had empowered the local government units (LGUs) to chart the destiny of their locality. Such empowerment carries with it enormous responsibilities especially on the devolved functions of agriculture, health care, social services and environmental management.

Towards the attainment of a meaningful local autonomy, the LGC of 1991, pursuant to the Constitution, endeavors to ensure the fiscal autonomy of LGUs by allocating to them, in addition to their revenue generating powers, a just share in the Internal Revenue collections and a just share in the proceeds of the utilization and development of the national wealth within their respective areas. These equitable shares are designed to correct the imbalance in revenue-raising capacities and expenditure needs of the governing provinces, cities, municipalities and barangays.

However, although Sections 286 and 293 of the LGC of 1991 mandate that the share of the LGUs in the proceeds of the utilization and development of the national wealth be directly released to the concerned LGUs within five (5) days after the end of each quarter, LGUs are complaining that under the present system, the National Government either fails to remit or fully remit the said share to the host LGUs, or takes a long time before the LGUs receive the said share. These unfortunate situations are negatively impacting on the efforts of LGUs to effectively program their priorities, as well as on the delivery of basic services to their constituents.

This bill proposes the amendment of Section 293 of the LGC of 1991 by mandating the automatic appropriation and release to the concerned LGUs of the forty (40%) share from national wealth taxes under Sections 290 and 291 of the LGC of 1991. This method will strengthen the autonomy of LGUs by ensuring prompt receipt of their just share in the utilization and development of national wealth.

Thus, the early passage of this bill is earnestly requested.

Ferdinand R. Marcos, Jr.
FERDINAND R. MARCOS, JR.

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



Senate
Office of the Secretary

'13 JUL -1 P1:27

SENATE
SENATE BILL NO. 113

RECEIVED BY: fa

Introduced by Senator Ferdinand R. Marcos, Jr.

AN ACT PROVIDING FOR THE AUTOMATIC APPROPRIATIONS AND RELEASE TO THE HOST LOCAL GOVERNMENT UNIT OF ITS FORTY (40%) SHARE OF THE GROSS COLLECTION DERIVED BY THE NATIONAL GOVERNMENT FROM NATIONAL WEALTH TAXES, AMENDING FOT THE PURPOSE SECTION 293 OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991

Be it enacted by the Senate and House of Representative of the Philippines in congress assembled:

SECTION 1. Section 293 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, is hereby amended to read as follows:

"Section 293. **AUTOMATIC APPROPRIATION AND RELEASE OF THE FORTY PERCENT (40%) SHARE DERIVED FROM NATIONAL WEALTH TAXES UNDER SECTIONS 290 AND 291 OF THIS CODE** [*Remittance of the Share of Local Government Units*]. - The share of local government units from the utilization and development of national wealth shall be **AUTOMATICALLY APPROPRIATED AND RELEASED TO THE HOST LGUS** [*remitted in accordance with Section 286 of this Code Provided however, That in the case of any government agency or government-owned or controlled corporation engaged in the utilization and development of the national wealth, such sha shall bedirectly remitted to the provincial, city, municipal or barangay treasurer, within five (5) days after the end of each quarter*].

SECTION 2. **Repealing Clause.** - All laws, decrees, executive orders, rules and regulations, or parts thereof, inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 3. **Effectivity Clause.** - This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,