

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



Senate
Office of the Secretary

13 SEP -5 P5:37

SENATE
S. No. 1572

RECEIVED BY: *ji*

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

Republic Act No. 7160, otherwise known as the "Local Government Code of 1991," Section 138 authorizes provinces to levy taxes on sand, gravel, and other quarrying activities. It has been observed that a province is often cheated by unscrupulous operators as the local government units cannot monitor the actual number of cubic meters extracted on non-working days. Also, the quarries are situated far from provincial offices. City and municipal officials have also complained that the shares of the city, municipality, or barangay concerned in the taxes levied are not often remitted by the province.

The bill shifts the power to levy taxes on sand, gravel, and other quarry resources from the province to the city or municipality concerned where the quarry is located. It also provides for efficient monitoring by authorizing barangay officials where the quarry is located to monitor the activities of quarry operators. This will result not only in efficient monitoring of quarry activities, but also in higher revenues for all local government units.*

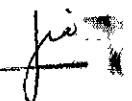
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Miriam Defensor Santiago
MIRIAM DEFENSOR SANTIAGO

* This bill was originally filed during the Thirteenth Congress, First Regular Session.



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1 AN ACT
2 AUTHORIZING CITIES AND MUNICIPALITIES TO LEVY TAXES ON SAND, GRAVEL,
3 AND OTHER QUARRY RESOURCES, AMENDING FOR THE PURPOSE SECTION 138 OF
4 REPUBLIC ACT 7160, ALSO KNOWN AS THE "LOCAL GOVERNMENT CODE OF 1991"

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

5 SECTION 1. Section 138 of Republic Act No. 7160, otherwise known as the "Local
6 Government Code of 1991," is hereby amended to read as follows:

7 "SECTION 138. *Tax on Sand, Gravel and Other Quarry Resources.* - The
8 **CITY AND MUNICIPALITY** [province] may levy and collect not more than
9 ten percent (10%) of fair market value in the locality per cubic meter of ordinary
10 stones, sand, gravel, earth, and other quarry resources, as defined under the
11 National Internal Revenue Code, as amended, extracted from public lands or from
12 the beds of seas, lakes, rivers, streams, creeks, and other public waters within its
13 territorial jurisdiction.

14 The permit to extract sand, gravel and other quarry resources shall be
15 issued exclusively by the **CITY OR MUNICIPAL MAYOR AS THE CASE**
16 **MAY BE, PURSUANT TO THE ORDINANCE OF THE SANGGUNIAN**
17 **CONCERNED AND SHALL BE CLOSELY MONITORED BY THE**
18 **BARANGAY OFFICIALS WHERE THE ACTUAL QUARRYING IS**
19 **TAKING PLACE** [provincial governor, pursuant to the ordinance of the
20 sangguniang panlalawigan].

21 The proceeds of the tax on sand, gravel and other quarry resources shall be
22 distributed as follows:

23 (1) *Province* - Thirty percent (30%);

1 (2) *Component City or Municipality where the sand, gravel, and other*
2 *quarry resources are extracted* - Thirty percent (30%); and

3 (3) *Barangay where the sand, gravel, and other quarry resources are*
4 *extracted* - Forty percent (40%).

5 SECTION 2. *Repealing Clause.* - All laws, presidential decrees or issuances, executive
6 orders, letters of instruction, administrative orders, rules, and regulations or parts thereof
7 inconsistent with the provisions of this Act are hereby repealed, modified, or amended
8 accordingly.

9 SECTION 3. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its
10 publication in at least two (2) newspapers of general circulation.

Approved,