

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

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SENATE
P. S. R. No. 1387

APPROVED BY: _____

Introduced by Senator Miriam Defensor Santiago

1 RESOLUTION
2 DIRECTING THE PROPER SENATE COMMITTEE
3 TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION,
4 ON THE COMMISSION ON AUDIT REPORT THAT THE DEPARTMENT
5 OF BUDGET AND MANAGEMENT VIOLATED THE CONSTITUTION
6 WITH THE DELAYED RELEASE OF SOME ₱302.8 BILLION
7 IN INTERNAL REVENUE ALLOTMENT TO
8 LOCAL GOVERNMENT UNITS IN 2013

9 WHEREAS, the Constitution, Article 2, Section 28 provides: "Subject to reasonable
10 conditions prescribed by law, the State adopts and implements a policy of full public disclosure
11 of all its transactions involving public interest";

12 WHEREAS, the Constitution further provides, in Article 10, Section 6: "Local
13 government units shall have a just share, as determined by law, in the national taxes which shall
14 be automatically released to them";

15 WHEREAS, Republic Act No. 7160, otherwise known as the "Local Government Code
16 of 1991," Section 286 states:

17 Automatic Release of Shares. - (a) The share of each local government
18 unit shall be released, without need of any further action, directly to the
19 provincial, city, municipal or barangay treasurer, as the case may be, on a
20 quarterly basis within five (5) days after the end of each quarter, and which shall
21 not be subject to any lien or holdback that may be imposed by the national
22 government for whatever purpose....

23 WHEREAS, the *Manila Bulletin* on 20 May 2015 reported that state auditors accused the
24 Department of Budget and Management (DBM) of violating the Constitution for the delayed
25 release of ₱302.8 billion in Internal Revenue Allotment (IRA);

26 WHEREAS, the Commission on Audit (COA) in its recently released report claimed that
27 of the supposed ₱318 IRA shares of local government units (LGUs) in the national taxes for
28 2013, ₱302.8 billion was not automatically released to LGUs but retained under DBM and
29 transferred to LGUs upon request;

1 WHEREAS, state auditors charge that withholding IRA allocation of LGUs is
2 unconstitutional, citing the Supreme Court ruling in the 2005 case of *Alternative Center for*
3 *Organizational Reforms and Development, Inc. vs. Zamora*:

4 As the Constitution lays upon the executive the duty to automatically
5 release the just share of local governments in the national taxes, so it enjoins the
6 legislature not to pass laws that might prevent the executive from performing this
7 duty. To hold that the executive branch may disregard constitutional provisions
8 which define its duties, provided it has the backing of statute, is virtually to make
9 the Constitution amendable by statute - a proposition which is patently absurd....

10 WHEREAS, when asked to explain the legal basis for the fund release procedure, the
11 DBM reportedly cited Presidential Decree No. 1445 which provides that “no money shall be paid
12 out of any public treasury or depository except in the pursuance of an appropriation law”;


13 WHEREAS, COA purportedly assailed the explanation, pointing out that there is no law
14 directing the DBM to administer LGUs’ share in the national taxes and that it is the function of
15 the national treasurer to release the appropriations approved in the General Appropriations Act;

16 WHEREAS, the government must ensure that public funds are used according to law,
17 spent for their intended purpose, and properly accounted for;

18 WHEREFORE, BE IT HEREBY RESOLVED BY THE PHILIPPINE SENATE to direct
19 the proper Senate committee to conduct an inquiry, in aid of legislation, on the Commission on
20 Audit report that the Department of Budget and Management violated the Constitution with the
21 delayed release of some ₱302.8 Billion in Internal Revenue Allotment to local government units
22 in 2013.

Adopted,

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MIRIAM DEFENSOR SANTIAGO
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