

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



Senate
Office of the Secretary

'16 JAN 25 P5:13

SENATE
S. No. 3117

RECEIVED BY: 

Introduced by Senator Miriam Defensor Santiago

AN ACT
AMENDING TITLE II, BOOK 2 OF REPUBLIC ACT NO. 7160, OTHERWISE
KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991

EXPLANATORY NOTE

The Local Government Code of 1991 provides power for each local government unit to create its own sources of revenue and to levy taxes, fees, and charges subject to the provisions in the Code, consistent with the basic policy of local autonomy. These taxes, fees, and charges shall accrue exclusively to the local government units.

Despite the enactment of this Code, the revenues collected by the various units are not enough to fund their local projects. This bill seeks to increase the additional ad valorem tax on idle lands from a ceiling of more than 5% to 10%. There is also a need to provide an additional levy of 0.5% for the Special Education Fund (SEF).¹


MIRIAM DEFENSOR SANTIAGO
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¹ This bill was originally filed during the Fourteenth Congress, Second Regular Session.

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

1 SECTION 1. Section 235 of the Code is hereby amended to read as follows:

2 SECTION 235. *Additional Levy on Real Property for the Special*
3 *Education Fund (SEF).* – A province or city, or a municipality within the
4 Metropolitan Manila Area, may levy and collect an annual tax of [~~one~~
5 ~~percent (1%)~~] **ONE AND ONE HALF PERCENT (1½%)** on the assessed
6 value of real property **IN THEIR RESPECTIVE TERRITORIAL**
7 **JURISDICTION** [~~which shall be~~] in addition to the basic real property tax
8 **PROVIDED UNDER THIS CODE.** The proceeds thereof shall
9 exclusively accrue to the Special Education Fund (SEF).

10 SECTION 2. Section 236 of the Code is hereby amended to read as follows:

11 SECTION 236. *Additional Ad Valorem Tax on Idle Lands.* – A
12 province or city, or a municipality within the Metropolitan Manila Area,
13 may levy an annual tax on idle lands at the rate not exceeding [~~five percent~~
14 ~~(5%)~~] **TEN PERCENT (10%)** of the assessed value of the property which
15 shall be in addition to the basic real property tax.

1 SECTION 3. Section 272 of the Code is hereby amended to read as follows:

2 SECTION 272. *Application of Proceeds of the Additional One AND*
3 *ONE HALF Percent SEF Tax.* – The proceeds from the additional [one
4 percent-(1%)] **ONE AND ONE HALF PERCENT (1½%)** tax on real
5 property accruing to the Special Education Fund (SEF) **OF A PROVINCE**
6 **OR CITY, OR A MUNICIPALITY WITHIN THE METROPOLITAN**
7 **MANILA AREA** shall be automatically released to the local school
8 boards: Provided, That, in case of provinces, the proceeds shall be divided
9 equally between the provincial and municipal school boards: Provided,
10 however, That the proceeds shall be allocated for the operation and
11 maintenance of public schools, construction and repair **OR**
12 **IMPROVEMENT** of **PUBLIC** school buildings, **AND/OR RELATED**
13 facilities and equipment, educational research, purchase of books and
14 periodicals, **HONORARIUM FOR TEACHERS CONDUCTING**
15 **EXTENSION CLASSES**, and sports development as determined and
16 approved by the local school board.

17 SECTION 4. *Separability Clause.* – If any provision of this Act is held invalid or
18 unconstitutional, the same shall not affect the validity and effectivity of the other
19 provisions hereof.

20 SECTION 5. *Repealing Clause.* – All laws, decrees, orders, and issuances, or
21 portions thereof, which are inconsistent with the provisions of this Act, are hereby
22 repealed, amended or modified accordingly.

23 SECTION 6. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after
24 its publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,
/lml9Nov2015