

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

'04 JUL 29 P4:48

SENATE  
S. B. No. 1559

RECEIVED BY: \_\_\_\_\_

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Introduced by Senator Miriam Defensor Santiago

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EXPLANATORY NOTE

Republic Act No. 7160, a.k.a. Local Government Code, Sec. 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.

*Miriam Defensor Santiago*  
MIRIAM DEFENSOR SANTIAGO

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AN ACT  
AUTHORIZING CITIES AND MUNICIPALITIES TO LEVY TAXES ON SAND, GRAVEL  
AND OTHER QUARRY RESOURCES AMENDING FOR THE PURPOSE SECTION 138 OF  
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:*

SECTION 1. Section 138 of Republic Act No. 7160, entitled "An Act Providing For a  
Local Government Code of 1991" is hereby amended to read as follows:

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

The permit to extract sand, gravel and other quarry resources shall be  
issued exclusive BY THE CITY OR MUNICIPAL MAYOR AS THE CASE  
MAY BE PURSUANT TO THE ORDINANCE OF THE SANGGUNIANG  
CONCERNED AND SHALL BE CLOSELY MONITORED BY THE  
BARANGAY OFFICIALS WHERE THE ACTUAL QUARRYING IS TAKING  
PLACE.

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

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

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

SECTION 2. *Repealing Clause.* - All laws, executive orders, rules and regulations or parts hereof which may be inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

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

Approved.