



SENATE

Office of the Secretary

SENATE

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S. B. NO. 607

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Introduced by **SENATOR JOEL VILLANUEVA**

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**AN ACT PROMOTING LOCAL GOVERNMENT  
EMPOWERMENT IN ORDER TO ACHIEVE INCLUSIVE  
DEVELOPMENT, AMENDING FOR THE PURPOSE SECTION  
284 OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS  
THE LOCAL GOVERNMENT CODE OF 1991**

**EXPLANATORY NOTE**


Republic Act No. 7160 or the Local Government Code of 1991 (LGC) sought to empower Local Government Units (LGUs) by giving them the authority to effectively formulate and implement their respective projects and programs by, among others, giving them a just share in the national taxes and empowering them to create their own sources of revenue.

The share of the LGUs in national taxes is realized through the automatic and release of Internal Revenue Allotments (IRA) to each LGU. The IRA from the National Government enables the LGUs to fund their respective programs consistent with the national objective of effectively carrying out devolved functions.

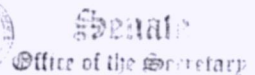
Aside from their right to a share just in national taxes, LGUs are also empowered under the LGC to create and broaden their own sources of revenue, by giving them, for example, the power to tax the transfer of real property ownership. However, many LGUs continue to suffer from limited fiscal resources, and thus, fail to adequately provide services and programs to their constituents. To date, many LGUs continue to rely on direct provision from the national government especially for programs and projects that contribute to local development.

To address the issue of scarce resources faced by many LGUs, this bill seeks to provide additional funding to LGUs by amending Section 248 of the LGC by increasing their share in the national taxes from forty percent (40%) to fifty percent (50%).

The immediate passage of this bill is earnestly sought.

  
SENATOR JOEL VILLANUEVA

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1   **SEC. 3. Separability Clause.** – If any provision of this Act or the application  
2   such provision to any person or circumstances is declared unconstitutional,  
3   the remainder of the Act or the application of such provision to other person or  
4   circumstances shall not be affected by such declaration.

5   **SEC. 4. Repealing Clause.** – Any law, presidential decree or issuance,  
6   executive order, letter of instruction, administrative order, rule or regulation of  
7   the contrary to or inconsistent with any provision of this Act is hereby repealed  
8   or modified accordingly.

9   **SEC. 5. Effectivity.** – This Act shall take effect fifteen (15) days from the  
10   date of its publication in the Official Gazette or in at least two (2) newspapers  
11   of general circulation.

12   **Approved,**

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