

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

8 JUN 30 P1:24

SENATE  
S.B. No. 2421



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

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Introduced by Senator Loren Legarda

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### EXPLANATORY NOTE

Under the present system, it usually takes a long time before a local government unit (LGU) receives its portion of the proceeds of the excise taxes, which has to be disbursed from the national government coffers. Due to this, LGUs have a difficult time financing their developmental projects that purport to advance the local economy.

This bill seeks to provide a remedy by mandating the corporations or any group, private or public, engaging in the utilization and development of the national wealth within the area, to directly remit to the concerned LGU its forty percent (40%) share from the national wealth taxes. Under this proposed system, the proceeds due to the LGUs shall no longer pass through the Department of Budget and Management, which is usually the cause of delay.

Through this measure, LGUs will be able to immediately act on their projects. This will help improve their investment climate and thereby provide an impetus to the growth of their economy.

In view of the foregoing, the passage of this bill is earnestly sought.

**LOREN LEGARDA**  
Senator

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AN ACT

PROVIDING FOR THE DIRECT REMITTANCE TO THE HOST LOCAL GOVERNMENT UNIT OF ITS FORTY PERCENT (40%) SHARE OF THE GROSS COLLECTION DERIVED BY THE NATIONAL GOVERNMENT FROM NATIONAL WEALTH TAXES, AMENDING FOR THE PURPOSE SECTION 293 OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991

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

**SECTION 1.** - Section 293 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, is hereby amended to read as follows:

“SECTION 293. Remittance of the Share of Local Government Units. – The share of local government units from the utilization and development of national wealth shall be remitted in accordance with Section 286 of this Code: Provided, however, That ANY PERSON, NATURAL OR JURIDICAL, INCLUDING [ in the case of any ] government agency or government-owned or -controlled corporation engaged in the utilization and development of the national wealth, [ such share ] shall [ be ] directly remit[ted] to the provincial, city, municipal or barangay treasurer, AS THE CASE MAY BE, OF THE HOST LOCAL GOVERNMENT UNIT concerned ITS FORTY PERCENT (40%) SHARE DERIVED FROM NATIONAL WEALTH TAXES UNDER SECTION 290 OF THIS CODE AND THE REMAINING SIXTY PERCENT (60%) TO THE NATIONAL GOVERNMENT [within five (5) days after the end of each quarter].”

**SECTION 2. Repealing Clause.** - All laws, decrees, executive orders, letters of instructions, rules and regulations or parts thereof which are inconsistent with this Act are hereby repealed, amended or modified accordingly.

**SECTION 3. Effectivity.** - This Act shall take effect fifteen days following the completion of its publication in the Official Gazette or in a newspaper of general circulation in the Philippines.

Approved,