

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

SENATE  
OFFICE OF THE SECRETARY

10 JUL 22 A9:33

SENATE  
S. No. 1869

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

Introduced by Senator Miriam Defensor Santiago

#### EXPLANATORY NOTE

Republic Act No. 7160, otherwise known as 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

\* This bill was originally filed during the Thirteenth Congress, First Regular Session.

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1 AN ACT  
2 AUTHORIZING CITIES AND MUNICIPALITIES TO LEVY TAXES ON SAND, GRAVEL  
3 AND OTHER QUARRY RESOURCES AMENDING FOR THE PURPOSE SECTION 138 OF  
4 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*

5 SECTION 1. Section 138 of Republic Act No. 7160, otherwise known as the Local  
6 Government Code is hereby amended to read as follows:

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

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

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

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

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

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4                   parts hereof which may be inconsistent with the provisions of this Act are hereby repealed or  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

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

Approved,