


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

SENATE  
OFFICE OF THE SECRETARY

10 JUN 26 1932

SENATE

Senate Bill No. 2039

RECEIVED BY: 

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Introduced by SENATOR EDGARDO J. ANGARA

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#### EXPLANATORY NOTE

The barangays, as institutionalized in the Local Government Code of 1991, is the basic unit of our political structure. Like municipalities, cities and provinces, barangays are mandated to perform certain duties and functions. It is also mandated to be self-reliant, which requires that it must raise its own revenue so that it can efficiently and effectively provide and delivers the basic services and facilities to its inhabitants.

Although the Local Government Code has generous provisions identifying the sources of revenue for the barangays, some of these, however, are vague as to when the barangays shall enjoy the same.

Specifically, Section 164 provides that barangays are entitled to a share of up to fifty percent (50%) of its community tax collection. However, while the said proviso provides that the share of the national government from the community tax collection shall remitted by the city or municipality concerned within ten (10) days after the end of each quarter, it is silent as to when the barangay shall receive its share.

In practice, the city or municipality concerned releases to the barangay its share only when the latter asks for it. Lamentably, in most cases, the release takes a long time, thereby causing delays in the rendition of basic services to the constituents. Meanwhile, the city or municipality deposits the share of the barangay with its depository bank under a time deposit account and enjoy the interest accruing thereto.

This bill, therefore, seeks to correct the situation.

It is proposed that Section 164 (c) (2) be amended to the effect that the barangay treasurer concerned shall automatically retain the fifty percent (50%) share of barangays in the community tax collected and remit the share of the city or municipality within ten (10) days after the end of each month.


Approval of this bill, therefore, is earnestly sought.

  
EDGARDO J. ANGARA  
Senator

10 JUN 26 P3:20

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AN ACT  
PROVIDING FOR THE AUTOMATIC RETENTION BY THE BARANGAY OF  
ITS FIFTY PERCENT (50%) SHARE IN THE COMMUNITY TAX COLLECTED  
BY SAID BARANGAY, AMENDING SECTION 164 OF THE  
LOCAL GOVERNMENT CODE OF 1991

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

1           **SECTION 1.** Section 164 of Republic Act No. 7160, otherwise known as  
2           the Local Government Code of 1991 is hereby amended tread as follows:

3  
4           **“SEC. 164. *Printing of Community Tax Certificate and***  
5           ***Distribution of Proceeds*** - (a) The Bureau of Internal Revenue  
6           shall cause the printing of community tax certificate and distribute  
7           the same to the cities and municipalities through the city and  
8           municipal treasurers in accordance with prescribed regulations.

9  
10           The proceeds of the tax shall accrue to the general funds of  
11           the cities, municipalities and barangays except a portion thereof  
12           which shall accrue to the general fund of the National Government  
13           to cover the actual cost of printing and distribution of the forms  
14           and other related expenses The city or municipality treasurer the  
15           said share of the National Government in the proceeds of the tax  
16           within ten (10) days after the end of each quarter.

1 The city or municipality treasurer shall deputize the barangay  
2 treasurer to collect the community tax in their respective  
3 jurisdictions: *Provided, however*, that said barangay treasurer shall  
4 be bonded in accordance with existing laws.

5  
6 The proceeds of the community tax actually and directly  
7 collected by the city or municipal treasurer shall accrue entirely to  
8 the general fund of the city or municipality concerned. However,  
9 proceeds of the community tax collected through the barangay  
10 treasurers shall be apportioned as follows:

11 Fifty percent (50%) shall accrue to the general fund of the  
12 city or municipality concerned; and

13  
14 Fifty percent (50%) shall accrue to the barangay [where tax  
15 is collected] WHICH COLLECTED TAX.

16  
17  
18 THE BARANGAY TREASURER CONCERNED SHALL  
19 AUTOMATICALLY RETAIN THE SHARE OF THE  
20 BARANGAY AND REMIT THE SHARE OF THE CITY OR  
21 MUNICIPALITY, CONCERNED WITHIN TEN (10) DAYS  
22 AFTER THE END OF THE MONTH.

23  
24 **SEC. 2. *Repealing Clause.*** All laws, executive orders, rules and regulations  
25 contrary to the provisions of this Act are hereby repealed or modified accordingly.

26  
27 **SEC. 3. *Separability Clause.*** If any provision of this Act is declared  
28 unconstitutional or invalid, the other provisions not affected shall remain in full force and  
29 effect.

1           **SEC. 4. Effectivity Clause.** This Act shall take effect immediately following its  
2 publication in the Official Gazette or in two (2) newspapers of general circulation,  
3 whichever come first

4           *Approved,*