

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

SECRET
OFFICE OF THE SECRETARY

10 JUL 27 AM 128

SENATE

S. BILL NO. 2132

RECEIVED BY

Introduced by Senator Ralph G. Recto

Explanatory Note

At present, local government units (LGUs) are entitled to 40% of the gross collections derived by the national government from the utilization and development of the national wealth by private persons or entities. Unfortunately, while individuals and private sectors pay their taxes to the national government pursuant to the existing laws, there are instances when the national government has not fully remitted to the local government units their corresponding share in the national taxes.

This proposal seeks to amend Section 290 of the Local Government Code which states that the internal revenue collections from the national wealth through mining, forestry, and fishery activities in the form of taxes, royalties, fees, charges, interests, fines, or shares of the central government in any coproduction, joint venture or production sharing agreements over such activities shall be shared with the local governments having jurisdiction over areas dedicated to the use and development of the national wealth.

This bill ensures that the host LGU immediately gets its full share in any co-production, joint venture or production sharing agreement in the utilization and development of the national wealth within their territorial jurisdiction, by mandating that the forty percent (40%) share pertaining to the host LGU be paid directly to it. On the other hand, the sixty percent (60%) share of the national government shall be paid to the national government.

In view of the foregoing, the immediate approval of this measure is hereby requested.


RALPH G. RECTO

10 JUL 27 AM 12:28

SENATE

S. BILL NO. 2132

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AN ACT

AMENDING SECTION 290 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:*

1 SECTION 1. Section 290 of Republic Act No. 7160, otherwise known as the "Local
2 Government Code of 1991" is hereby amended to read as follows:

3
4 "SEC. 290. Amount of Share of Local Government Units. – Local government
5 units shall, in addition to the internal revenue allotment, have a share of forty percent
6 (40%) of the gross collection derived by the national government from the preceding
7 fiscal year from mining taxes, royalties, forestry and fishery charges, and such other
8 taxes, fees, or charges, including related surcharges, interests, or fines, and from its share
9 in any co-production, joint venture or production sharing agreement in the utilization and
10 development of the national wealth within their territorial jurisdiction [.] **PROVIDED,**
11 **THAT PERSONS, NATURAL OR JURIDICAL, ENGAGED IN THE**
12 **UTILIZATION AND DEVELOPMENT OF THE NATIONAL WEALTH, SHALL**
13 **PAY DIRECTLY THE ABOVEMENTIONED FORTY PERCENT (40%) OF**
14 **THEIR NATIONAL WEALTH TAXES TO THE HOST LOCAL GOVERNMENT**
15 **UNITS AND THE REMAINING SIXTY PERCENT (60%) TO THE NATIONAL**
16 **GOVERNMENT.**

17
18 SEC. 2. All laws, executive orders, decrees, rules and regulations or parts thereof which
19 are inconsistent with any of the provisions of this Act are hereby repealed or modified
20 accordingly.

21
22 SEC. 3. This Act shall take effect fifteen days (15) days following its publication in at
23 least two (2) newspapers of general circulation or the Official Gazette.

Approved,