

WHEREAS, the Bureau of Internal Revenue (BIR), in its Rulings, Nos. 018-00 and 088-01, dated 20 January 2000 and 16 May 2001, respectively, regards the National Power Corporation and the Metropolitan Waterworks and Sewerage System, both GOCCs similar to local water districts, as within the ambit and coverage of Sec. 32 (B)(7)(b) of RA No. 8424, exempting them from payment of corporate income tax.

WHEREAS, despite such clear and unequivocal wordings of the law and the BIR rulings cited above, local water districts are still made subject to income tax.

WHEREAS, if only to help and support local water districts of the needed and additional funds in the maintenance and expansion of their operations, for them to be able to provide more safe and clean water in the provinces and other rural areas, and more importantly as a declaration of the true legislative intent of RA No. 8424, Congress is but mandated to adopt this Resolution.

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that local water districts be included, as they are included, within the application, coverage and scope of Section 32 (B)(7)(b) of Republic Act No. 8424 being the legislative intent meant and approved by Congress in passing the said law.

Adopted,



FRANCIS G. ESCUDERO