

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



Senate
Office of the Secretary

13 JUL -8 P2:43

SENATE

S. No. 613

RECEIVED BY: *ja*

Introduced by Senator Ralph G. Recto

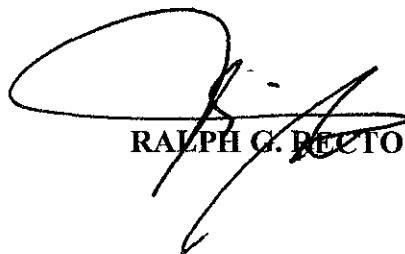
Explanatory Note

As mandated in the Local Government Code, local government units (LGUs) are entitled to forty percent (40%) of the gross collections derived by the national government from the utilization and development of the national wealth by private persons or entities. These monies are used by the LGUs in financing development and livelihood projects. Unfortunately, such projects may be put on hold due to the delay in the release of the LGUs' share by the national government.

The present guidelines and procedures for the release of LGU shares require that the revenue-collecting agencies and national government agencies concerned submit to the Department of Budget and Management various documents before the shares are released to the host LGUs concerned. Hence, the evaluation of documents and the status of the government's overall cash position can cause the delay.¹

This proposal seeks to amend Section 293 of the Code to expedite the release of LGUs' shares by mandating that the forty percent (40%) share pertaining to the host LGUs be remitted directly to them. On the other hand, the sixty percent (60%) share of the national government shall be paid to the national treasury.

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


RALPH G. RECTO

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¹ DOF-DBM-DILG-DENR Joint Circular No. 2009-1 March 31, 2009

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S. No. 613

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AN ACT
PROVIDING THE DIRECT REMITTANCE TO THE HOST LOCAL GOVERNMENT
UNITS OF THEIR FORTY PERCENT (40%) SHARE DERIVED FROM THE
NATIONAL WEALTH 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:

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

3 "SEC. 293. Remittance of the Share of Local Government Units. – The
4 share of local government units from the utilization and development of national
5 wealth shall be remitted in accordance with Section 286 of this Code: *Provided,*
6 *however,* That **PERSONS, NATURAL OR JURIDICAL, INCLUDING** [in
7 the case of any] government agenc[y]IES or government-owned or controlled
8 corporationS engaged in the utilization and development of the national wealth,
9 [such share] shall [be] directly remit[ted] **THE FORTY PERCENT (40%) OF**
10 **THEIR NATIONAL WEALTH TAXES UNDER SECTION 290 OF THIS**
11 **CODE** to the provincial, city, municipal or barangay treasurer, **AS THE CASE**
12 **MAY BE, OF THE HOST LOCAL GOVERNMENT UNITS AND THE**
13 **REMAINING SIXTY PERCENT (60%) TO THE NATIONAL**
14 **GOVERNMENT** [concerned within five (5) days after the end of each
15 quarter]."

16 **SEC. 2. Implementing Rules and Regulations.** – The Secretaries of the Department of
17 Finance, Department of Budget and Management and the Department of the Interior and Local
18 Government, in coordination with one (1) representative from each of the following: (i) The
19 League of Provinces, (ii) The League of Cities' (iii) The League of Municipalities and (iv) The
20 Liga ng mga Barangay, shall jointly within thirty (30) days from the effectivity of this Act,
21 formulate and issue the appropriate rules and regulations necessary to implement and carry out
22 the intent, objective, purpose and provisions of this Act.

1 **SEC. 3. *Separability Clause.*** – All laws, executive orders, decrees, rules and regulations
2 or parts thereof which are inconsistent with any of the provisions of this Act are hereby repealed
3 or modified accordingly.

4 **SEC. 4. *Effectivity.*** – This Act shall take effect fifteen (15) days from the date of
5 publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,