


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



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SENATE  
S. No. 827

RECEIVED BY: 

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Introduced by Senator Ralph G. Recto

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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**

**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.<sup>1</sup>

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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<sup>1</sup> DOF-DBM-DILG-DENR Joint Circular No. 2009-1 March 31, 2009

SENATE  
S. No. 827

RECEIVED BY: 

Introduced by Senator Ralph G. Recto

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  
2 "Local Government Code of 1991" is hereby amended to read as follows:

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

16 SEC. 2. *Implementing Rules and Regulations.* – The Secretaries of the  
17 Department of Finance, Department of the Interior and Local Government and the  
18 Bureau of Internal Revenue, shall jointly within ninety (90) days from the effectivity of  
19 this Act, formulate and issue the appropriate rules and regulations necessary to  
20 implement and carry out the intent, objective, purpose and provisions of this Act.

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23 are hereby repealed or modified accordingly.

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

Approved,