



SENATE

S. No. 1202

'19 NOV 27 P3:28

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Introduced by SENATOR RAMON BONG REVILLA, JR.

AN ACT
IMPOSING A MANDATORY AD VALOREM TAX ON IDLE LANDS AMENDING FOR
THE PURPOSE SECTIONS 236, 237, AND 273 OF REPUBLIC ACT NO. 7160,
OTHERWISE KNOWN AS "THE LOCAL GOVERNMENT CODE OF 1991," AND
APPROPRIATING FUNDS COLLECTED THEREFROM EXCLUSIVELY FOR THE
PURPOSE OF PROVIDING FREE ACCESS TO PUBLIC HEALTH

EXPLANATORY NOTE

This bill seeks to impose a mandatory ad valorem tax on idle lands amending for the purpose Sections 236, 237 and 273 of Republic Act no. 7160, otherwise known as "The Local Government Code of 1991".

The imposition of the idle land tax under the present provisions of Republic Act No. 7160 is *optional* on the part of the local government units concerned. This bill will make it *mandatory*. The rate was increased from five percent (5%) to twenty percent (20%) of the assessed value of the real property, in addition to the basic real property taxes due.

The proliferation of idle, unproductive, and inefficacious private lands abandoned by absentee owners should bear an economic, environmental and/or social function. Potentially, these lands could aid in agriculture output and agri-food export by using idle farmland as different forms of crop cultivation. Furthermore, utilization of these idle lands may succor the nation's state of poverty and increase rural employment to our local farmers.¹ One of the many purposes of this bill is to encourage real property owners to put these idle lands into productive use, land being a scarce resource. Doing so should promote the economic well-being of the country.

¹ So Much Idle Land, So Much Rural Poverty. www.bworldonline.com

Finally, this legislative proposal will help the government, particularly local government units (LGUs), to raise additional funds to address the delivery of basic public services especially to the less-privileged members such as contributing to public health in the form of medicines, supplies, facilities, equipment, clinics, and hospitals.

Land owners and developers that opt to keep private lands idle and unproductive should, in exchange, share in the burden of the public health care delivery through an enforced tax contribution.

In view of the foregoing, approval of this bill is earnestly sought.


RAMON BONG REVILLA JR.



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

1 Section 1. – Section 236 of Republic Act No. 7160 is hereby amended to read as
2 follows:

3 "Section 236. *Additional Ad Valorem Tax on Idle Lands.* A city or a municipality
4 shall levy an annual *ad valorem* tax on idle lands at the rate of twenty percent (20%) of
5 the assessed value of the property which shall be in addition to the basic real property
6 tax."

7 Sec. 2. – Section 237 of Republic Act No. 7160 is hereby amended to read as
8 follows:

9 "Sec. 237. *Idle Lands. Coverage.* – For purposes of real property taxation, idle
10 lands shall include the following:

11 (a) Agricultural lands, more than one (1) hectare in area, suitable for cultivation,
12 farming, dairying, inland fishery, poultry and other agricultural uses one-half
13 (1/2) of which remain uncultivated or unimproved by the owner of the property
14 or person having legal interest therein. Agricultural lands planted with

1 permanent trees of at least fifty (50) trees to a hectare, or a proportion thereof
2 if less than one hectare shall not be considered idle lands. Lands actually used
3 for grazing purposes shall likewise not be considered idle lands.

4 (b) Lands, other than agricultural, located in a city or municipality, more than one
5 thousand (1,000) square meters in area one-half (1/2) of which remain
6 unutilized or unimproved by the owner of the property or person having legal
7 interest therein. The planting of permanent crops or trees of at least fifty (50)
8 trees to a hectare, or a proportion thereof if less than one hectare, shall not
9 be considered idle lands.

10 (c) Regardless of land area, this Section shall likewise apply to: (1) Residential
11 lots in subdivisions duly approved by proper authorities, the ownership of
12 which has been transferred to the buyer-owners, who shall be liable for the
13 additional tax. Provided, however, That individual lots of such subdivisions,
14 the ownership of which has not been transferred to the buyer shall be
15 considered as part of the subdivision, and shall be subject to the additional tax
16 payable by subdivision owner or developer; and, (2) Vacant lots intended for
17 commercial, industrial or residential or condominium projects duly approved
18 by proper authorities shall be to the additional tax until the full completion of
19 the construction or project as certified by the engineer/building officials of the
20 local government concerned."

21 Sec. 3. Section 273 of Republic Act No. 7160 is hereby amended to read as follows:

22 "Sec. 273. *Proceeds of the Tax on Idle Lands.* The proceeds of the additional
23 *ad valorem* real property tax on idle lands shall accrue to a Special Public Health
24 Fund (SPHF) of the city or municipality where the land is located: *Provided*, that
25 in case of component cities and municipalities, twenty percent (20%) of the
26 proceeds shall pertain to the SPHF of the province in which the land is located.
27 Such SPHF may be appropriated by the Sanggunian concerned solely and
28 exclusively for the purpose of providing free access to public health facilities,
29 supplies or services to the less-privileged members of their local constituency."

1 Sec. 4 *Separability Clause*. – If any provision or part hereof is held invalid or
2 unconstitutional, the remainder of the law or the provision not otherwise affected shall
3 remain valid and subsisting.

4 Sec. 5. *Repealing Clause*. – Any law, presidential decree or issuance, executive
5 order, letter of instruction, administrative order, rules or regulations contrary to, or
6 inconsistent with the provisions of this Act is hereby repealed, modified or amended
7 accordingly.

8 Sec. 6. *Effectivity*. – The imposition of the additional *ad valorem* on idle lands as
9 provided in this Act shall take effect at the beginning of the calendar year next following
10 its publication in two (2) newspapers of general circulation. The Sanggunian concerned
11 may, however, postpone by Ordinance the imposition of the tax for another year to give
12 real property owners or developers the opportunity to be exempt from the coverage of
13 idle as defined in Section 237 of the Republic Act No. 7160.

14
15 *Approved,*