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

5 MAY 17 P4:55

SENATE

COMMITTEE REPORT NO. 24

RECEIVED BY: _____

Submitted by the Committee on Public Services on 17 MAY 2005
Re : House Bill No. 3696.

Recommending its approval with amendments.

Sponsor : Senator Arroyo.

MR. PRESIDENT:

The Committee on Public Services, to which was referred House Bill No. 3696, introduced by Representatives Del Mar, Cuenco, Gullas, Zubiri, Soon-Ruiz and Abayon, entitled:

"AN ACT
FURTHER AMENDING THE FRANCHISE OF VISAYAN ELECTRIC
COMPANY, INC., GRANTED UNDER ACT NO. 3499, AS AMENDED, TO
CONSTRUCT, OPERATE AND MAINTAIN A DISTRIBUTION SYSTEM FOR
THE CONVEYANCE OF ELECTRIC POWER TO THE END-USERS IN THE
CITIES OF CEBU, MANDAUE AND TALISAY AND THE MUNICIPALITIES OF
MINGLANILLA, NAGA, SAN FERNANDO, CONSOLACION AND LILO-AN,
PROVINCE OF CEBU AND RENEWING/EXTENDING THE TERM OF THE
FRANCHISE TO ANOTHER TWENTY-FIVE YEARS FROM THE DATE OF
APPROVAL OF THIS ACT"

has considered the same and has the honor to report it back to the Senate with the recommendation that the said bill be approved with the following amendments:

1. On page 7, before Sec. 9. (Right of Eminent Domain), insert a new section to read as follows:

SEC. ____. *Tax Provisions.* – The grantee, its successors or assigns, shall be subject to the payment of all taxes, duties, fees or charges and other impositions applicable to private electric utilities under the National Internal Revenue Code (NIRC) of 1997, as amended, the Local Government Code and other applicable laws: *Provided*, That nothing herein shall be construed as repealing any specific tax exemptions, incentives, or privileges granted under any relevant law: *Provided further*, That all rights, privileges, benefits and exemptions accorded to existing and future private electric utilities by their respective franchises shall likewise be extended to the grantee.

The grantee shall file the return with the city where its principal place of business is located and pay the taxes due thereon to the Commissioner of Internal Revenue or his duly authorized representative in accordance with the NIRC and the return shall be subject to audit by the Bureau of Internal Revenue.

2. *Renumber the sections accordingly.*

Respectfully submitted:



JOKER P. ARROYO
Chairman

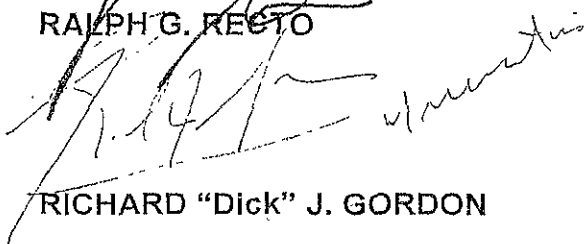
Members:



RALPH G. RECTO



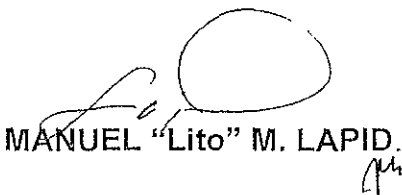
MAR ROXAS



RICHARD "Dick" J. GORDON



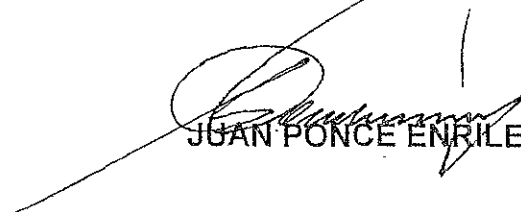
COMPAÑERA PIA CAYETANO



MANUEL "Lito" M. LAPID.

MANUEL B. VILLAR, JR.

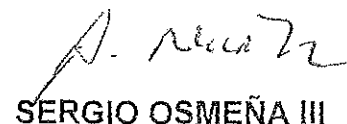
EDGARDO J. ANGARA



JUAN PONCE ENRILE

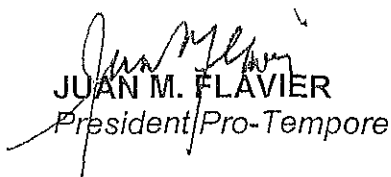


PANFILO M. LACSON



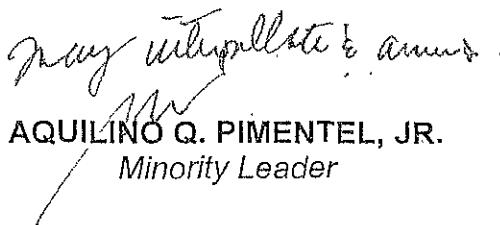
SERGIO OSMEÑA III

Ex - Officio Members :



JUAN M. FLAVIER
President Pro-Tempore

FRANCIS N. PANGILINAN
Majority Leader



AQUILINO Q. PIMENTEL, JR.
Minority Leader

Hon. FRANKLIN M. DRILON
President
Senate of the Philippines
Pasay City