


FOURTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )

7 JUL -3 P6:23

SENATE

RECEIVED BY: 

S. B. NO. 908

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Introduced by SENATOR EDGARDO J. ANGARA

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**EXPLANATORY NOTE**

The barangays, as institutionalized in the Local Government Code of 1991, is the basic unit of our political structure. Like municipalities, cities and provinces, barangays are mandated to perform certain duties and functions. It is also mandated to be self-reliant, which requires that it must raise its own revenue so that it can efficiently and effectively provide and delivers the basic services and facilities to its inhabitants.

Although the Local Government Code has generous provisions identifying the sources of revenue for the barangays, some of these, however, are vague as to when the barangays shall enjoy the same.

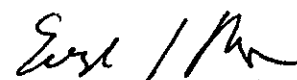
Specifically, Section 164 provides that barangays are entitled to a share of up to fifty percent (50%) of its community tax collection. However, while the said proviso provides that the share of the national government from the community tax collection shall be remitted by the city or municipality concerned within ten (10) days after the end of each quarter, it is silent as to when the barangay shall receive its share.

In practice, the city or municipality concerned releases to the barangay its share only when the latter asks for it. Lamentably, in most cases, the release takes a long time, thereby causing delays in the rendition of basic services to the constituents. Meanwhile, the city or municipality deposits the share of the barangay with its depository bank under a time deposit account and enjoys the interest accruing thereto.

This bill, therefore, seeks to correct the situation.

It is proposed that Section 164 (c) (2) be amended to the effect that the barangay treasurer concerned shall automatically retain the fifty percent (50%) share of barangays in the community tax collected and remit the share of the city or municipality within ten (10) days after the end of each month.

Approval of this bill, therefore, is earnestly sought.

  
EDGARDO J. ANGARA  
Senator

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**AN ACT PROVIDING FOR THE AUTOMATIC RETENTION  
BY THE BARANGAY OF ITS FIFTY PERCENT (50%) SHARE IN THE  
COMMUNITY TAX COLLECTED BY SAID BARANGAY,  
AMENDING SECTION 164 OF 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 164 of Republic Act No. 7160, otherwise known  
2 as the Local Government Code of 1991 is hereby amended tread as follows:

3  
4           **"SEC. 164. *Printing of Community Tax Certificate***  
5           ***and Distribution of Proceeds*** - (a) The Bureau of  
6 Internal Revenue shall cause the printing of community  
7 tax certificate and distribute the same to the cities and  
8 municipalities through the city and municipal treasurers  
9 in accordance with prescribed regulations.

10  
11           The proceeds of the tax shall accrue to the general funds  
12 of the cities, municipalities and barangays except a  
13 portion thereof which shall accrue to the general fund of

1 the National Government to cover the actual cost of  
2 printing and distribution of the forms and other related  
3 expenses The city or municipality treasurer the said share  
4 of the National Government in the proceeds of the tax  
5 within ten (10) days after the end of each quarter.

6  
7 The city or municipality treasurer shall deputize the  
8 barangay treasurer to collect the community tax in their  
9 respective jurisdictions: Provided, however, that said  
10 barangay treasurer shall be bonded in accordance with  
11 existing laws.

12  
13 The proceeds of the community tax actually and directly  
14 collected by the city or municipal treasurer shall accrue  
15 entirely to the general fund of the city or municipality  
16 concerned. However, proceeds of the community tax  
17 collected through the barangay treasurers shall be  
18 apportioned as follows:

19  
20 Fifty percent (50%) shall accrue to the general fund  
21 of the city or municipality concerned; and

22  
23 Fifty percent (50%) shall accrue to the barangay  
24 [where tax is collected] WHICH COLLECTED TAX.

25  
26 THE BARANGAY TREASURER CONCERNED SHALL  
27 AUTOMATICALLY RETAIN THE SHARE OF THE

1 BARANGAY AND REMIT THE SHARE OF THE CITY  
2 OR MUNICIPALITY, CONCERNED WITHIN TEN (10)  
3 DAYS AFTER THE END OF THE MONTH.  
4  
5

6 **SECTION. 2. *Repealing Clause.*** All laws, executive orders, rules  
7 and regulations contrary to the provisions of this Act are hereby repealed or  
8 modified accordingly.  
9

10 **SECTION. 3. *Separability Clause.*** If any provision of this Act is  
11 declared unconstitutional or invalid, the other provisions not affected shall  
12 remain in full force and effect.  
13

14 **SECTION. 4. *Effectivity Clause.*** This Act shall take effect  
15 immediately following its publication in the Official Gazette or in two (2)  
16 newspapers of general circulation, whichever come first.  
17

18 *Approved,*