

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 941

HOUSE OF REPRESENTATIVES

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REGISTRATION UNIT
BILLS AND INDEX SERVICE

INTRODUCED BY REPRESENTATIVE TOBIAS "TOBY" M. TIANGCO

EXPLANATORY NOTE

The 1987 Philippine Constitution provides that each local government unit shall have the power to create its own sources of revenue and to levy taxes, fees, and charges (Section 5, Article X). This has been adopted in Section 129 of the Local Government Code. Thus, all local government units are granted general taxing powers, as well as other revenue-raising powers like the imposition of service fees and charges, in addition to those specifically granted to each of the local government units.


Telecommunication companies primarily operate through their cell sites in a particular area to provide service to its customers. These cell sites are necessary in order for telecommunication companies to generate revenues. As a matter of fact, local government units where their respective cell sites are located have the obligation to provide protection to the telecommunication companies without receiving any direct benefit, such as permits in establishing cell sites.

Undeniably, telecommunication companies, through their cell sites located all over the Philippines' territory are generating large income. Records from the Bureau of Internal Revenue show that telecommunications giants are among the Top 100 large taxpayers.

Hence, it is but necessary and equitable to require reasonable business permits in order for these cell sites to be established in the locality where they are situated.

The proposed bill aims to help the local governments to raise revenue resources of its own with the end in view of making them independent from the internal revenue allotment.

In view of the foregoing, the approval of the proposed measure is earnestly requested.


TOBIAS "TOBY" M. TIANGCO

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AN ACT
REQUIRING ALL TELECOMMUNICATION COMPANIES TO SECURE
BUSINESS PERMITS AND LICENSES IN THE LOCAL GOVERNMENT
UNITS WHERE THEIR RESPECTIVE CELL SITES ARE LOCATED

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

SECTION 1. Business Permits Required of Telecommunications Companies. - No telecommunications company shall operate within the Philippines without securing business permits from the local government units where their respective cell sites are located.

SECTION 2. Authority of Local Government Units to require Business Permits. - All local government units shall have the authority to impose business taxes of not more than one-fourth (1/4) of one percent (1%) of their gross revenues generated by cell sites operating within their respective jurisdiction.

SECTION 3. Effectivity- This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,