This bill seeks to provide for the automatic and direct remittance, to the host local government unit, of its forty percent (40%) share of the proceeds from the development and utilization of national wealth.

By allowing the host local government units to directly receive their just share from national wealth taxes, we will be helping our local executives increase their operational expenses and thus, improve the delivery of basic services to their constituents. Moreover, this bill will also resolve the present bureaucratic intricacies where funds are first remitted to the national government before they are apportioned to the local government units. With the passage of this bill, local legislative bodies will be able to immediately appropriate funds for their priority development projects.

Our local executives are the first to respond to the needs of the people. It is but logical that they are empowered to serve the citizens well. This is just one of the measures that seek to broaden the local fiscal resource generation of the local government units. Hence, immediate approval of this bill is earnestly sought.

Francisco Jose F. Matugas II
Surigao del Norte, First District
(Siargao Island)
Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

HOUSE BILL NO. 3420

Introduced by:
Representative FRANCISCO JOSE F. MATUGAS II

AN ACT
PROVIDING FOR THE DIRECT REMITTANCE TO THE HOST LOCAL GOVERNMENT OF ITS FORTY PERCENT (40%) SHARE OF THE PROCEEDS DERIVED FROM THE UTILIZATION AND DEVELOPMENT OF NATIONAL WEALTH, AMENDING FOR THE PURPOSE SECTION 293 OF REPUBLIC ACT NO. 7160, AS AMENDED, 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:

SECTION 1. Section 293 of Republic Act No. 7160, as amended, otherwise known as the “Local Government Code of 1991”, is hereby further amended to read as follows:

"SEC. 293. Remittance of the Share of Local Government Units

- ANY PERSON, NATURAL OR JURIDICAL, INCLUDING GOVERNMENT AGENCIES OR GOVERNMENT-OWNED OR -CONTROLLED CORPORATIONS, ENGAGED IN THE UTILIZATION AND DEVELOPMENT OF NATIONAL WEALTH SHALL DIRECTLY REMIT TO THE PROVINCIAL, CITY, MUNICIPAL OR BARANGAY TREASURER, OF THE HOST LOCAL GOVERNMENT UNIT CONCERNED, THE LATTER’S FORTY PERCENT (40%) SHARE FROM THE UTILIZATION AND DEVELOPMENT OF NATIONAL WEALTH, WITHIN FIVE (5) DAYS AFTER
THE END OF EACH QUARTER: PROVIDED, THAT, SAID
SHARE SHALL NOT BE SUBJECT TO ANY LIEN OR
HOLDBACK THAT MAY BE IMPOSED BY THE NATIONAL
GOVERNMENT FOR WHATEVER PURPOSE.

THE SECRETARY OF FINANCE, IN CONSULTATION
WITH THE SECRETARY OF BUDGET AND
MANAGEMENT, WITHIN SIX (6) MONTHS FROM THE
EFFECTIVITY OF THIS ACT, SHALL PROMULGATE THE
NECESSARY RULES AND REGULATIONS FOR THE
DIRECT REMITTANCE OF THE LOCAL GOVERNMENT
UNITS' SHARE TO THEM.

[The share of local government units from the
utilization and development of national wealth shall be
remitted in accordance with Section 286 of this Code:
Provided, however, That in the case of any government
agency or government-owned or controlled corporation
engaged in the utilization and development of the national
wealth, such share shall be directly remitted to the
provincial, city, municipal or barangay treasurer
concerned within five (5) days after the end of each
quarter.]

SEC. 2. All laws, decrees, orders, rules and regulations or parts
thereof inconsistent with the provisions of this Act are hereby amended or
modified accordingly.

SEC. 3. This Act shall take effect fifteen (15) days after its
publication in the Official Gazette or in two (2) national newspapers of
general circulation.

Approved,