AN ACT

PROVIDING THE DIRECT REMITTANCE TO THE HOST LOCAL GOVERNMENT UNITS OF THEIR FORTY PERCENT (40%) SHARE DERIVED FROM THE NATIONAL WEALTH AMENDING FOR THE PURPOSE SECTION 293 OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991

EXPLANATORY NOTE

As mandated in the Local Government Code, local government units (LGUs) are entitled to forty percent (40%) of the gross collections derived by the national government from the utilization and development of the national wealth by private persons or entities. These monies are used by the LGUs in financing development and livelihood projects. Unfortunately, such projects may be put on hold due to the delay in the release of the LGUs' share by the national government.

The present guidelines and procedures for the release of LGU shares require that the revenue-collecting agencies and national government agencies concerned submit to the Department of Budget and Management various documents before the shares are released to the host LGUs concerned. Hence, the evaluation of documents and the status of the government's overall cash position can cause the delay.¹

This proposal seeks to amend Section 293 of the Code to expedite the release of LGUs' shares by mandating that the forty percent (40%) share pertaining to the host LGUs be remitted directly to the LGU concerned. On the other hand, the sixty percent (60%) share of the national government shall be remitted to the national treasury.

¹ DOF-DBM-DILG-DENR Joint Circular No. 2009-1 March 31, 2009
In view of the foregoing, the immediate approval of this measure is hereby requested.

VILMA SANTOS-RECTO
EIGHTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

HOUSE OF REPRESENTATIVES

H. B. No. 4533

Introduced by Rep. Vilma Santos-Recto
6th District of Batangas

AN ACT
PROVIDING THE DIRECT REMITTANCE TO THE HOST LOCAL
GOVERNMENT UNITS OF THEIR FORTY PERCENT (40%) SHARE
DERIVED FROM THE NATIONAL WEALTH AMENDING FOR THE
PURPOSE SECTION 293 OF REPUBLIC ACT NO. 7160, 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, otherwise known as the
“Local Government Code of 1991” is hereby amended to read as follows:

"Sec. 293. Remittance of the Share of Local Government Units. –
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 PERSONS, NATURAL OR
JURIDICAL, INCLUDING government agencies or government-owned
or controlled corporations engaged in the utilization and development of
the national wealth, shall directly remitted to the provincial, city,
municipal or barangay treasurer of the HOST LOCAL
GOVERNMENT UNIT CONCERNED ITS FORTY PERCENT
(40%) SHARE DERIVED FROM NATIONAL WEALTH TAXES
UNDER SECTION 290 OF THIS CODE AND THE REMAINING
SIXTY PERCENT (60%) TO THE NATIONAL GOVERNMENT."

Sec. 2. Implementing Rules and Regulations. – The Secretaries of the
Department of Finance, Department of the Interior and Local Government and the
Bureau of Internal Revenue, shall, within ninety (90) days from the effectivity of this
Act, jointly formulate and issue the appropriate rules and regulations necessary to
implement and carry out the intent, objective, purpose and provisions of this Act.

Sec. 3. Repealing Clause. – Any law, presidential decree or issuance,
executive order, letter of instruction, rule or regulation inconsistent with the
provisions of this Act is hereby repealed or modified accordingly.

Sec. 4. Effectivity. – This Act shall take effect fifteen (15) days following its
complete publication in two (2) newspapers of general circulation or in the *Official
Gazette*.

Approved,