

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



**HOUSE OF REPRESENTATIVES**

**H. B. No. 4533**

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

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**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.

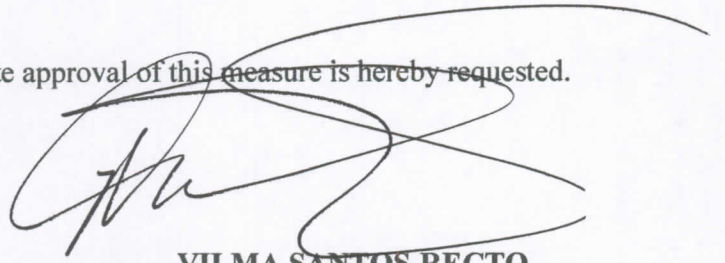
The present guidelines and procedures for the release of LGU shares require that the revenue-collecting agencies and national government agencies concerned submit to the Department of Budget and Management various documents before the shares are released to the host LGUs concerned. Hence, the evaluation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

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.

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<sup>1</sup> 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.

A large, stylized handwritten signature in black ink, featuring a prominent loop and a long horizontal stroke extending to the right.

**VILMA SANTOS-RECTO**

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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:*

- 1           Section 1.     Section 293 of Republic Act No. 7160, otherwise known as the  
2     “Local Government Code of 1991” is hereby amended to read as follows:  
3                     “Sec. 293. Remittance of the Share of Local Government Units. –  
4           The share of local government units from the utilization and development  
5           of national wealth shall be remitted in accordance with Section 286 of this  
6           Code: *Provided, however,* That **PERSONS, NATURAL OR**  
7           **JURIDICAL, INCLUDING** government agencies or government-owned  
8           or controlled corporations engaged in the utilization and development of  
9           the national wealth, shall directly remitted to the provincial, city,  
10          municipal or barangay treasurer of the **HOST LOCAL**  
11          **GOVERNMENT UNIT CONCERNED ITS FORTY PERCENT**  
12          **(40%) SHARE DERIVED FROM NATIONAL WEALTH TAXES**  
13          **UNDER SECTION 290 OF THIS CODE AND THE REMAINING**  
14          **SIXTY PERCENT (60%) TO THE NATIONAL GOVERNMENT.”**  
15          Sec. 2. *Implementing Rules and Regulations.* – The Secretaries of the  
16          Department of Finance, Department of the Interior and Local Government and the  
17          Bureau of Internal Revenue, shall, within ninety (90) days from the effectivity of this

1 Act, jointly formulate and issue the appropriate rules and regulations necessary to  
2 implement and carry out the intent, objective, purpose and provisions of this Act.

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

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

Approved,