



Republic of the Philippines  
**House of Representatives**  
Quezon City, Metro Manila



HOUSE BILL NO. 3420

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Introduced by:  
**Representative FRANCISCO JOSE F. MATUGAS II**

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### EXPLANATORY NOTE

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)



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**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:*

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

4           "SEC. 293. *Remittance of the Share of Local Government Units*  
5       – ANY PERSON, NATURAL OR JURIDICAL, INCLUDING  
6 GOVERNMENT AGENCIES OR GOVERNMENT-OWNED  
7 OR -CONTROLLED CORPORATIONS, ENGAGED IN THE  
8 UTILIZATION AND DEVELOPMENT OF NATIONAL  
9 WEALTH SHALL DIRECTLY REMIT TO THE  
10 PROVINCIAL, CITY, MUNICIPAL OR BARANGAY  
11 TREASURER, OF THE HOST LOCAL GOVERNMENT UNIT  
12 CONCERNED, THE LATTER'S FORTY PERCENT (40%)  
13 SHARE FROM THE UTILIZATION AND DEVELOPMENT  
14 OF NATIONAL WEALTH, WITHIN FIVE (5) DAYS AFTER



1 THE END OF EACH QUARTER: PROVIDED, THAT, SAID  
2 SHARE SHALL NOT BE SUBJECT TO ANY LIEN OR  
3 HOLDBACK THAT MAY BE IMPOSED BY THE NATIONAL  
4 GOVERNMENT FOR WHATEVER PURPOSE.

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

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

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

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

28 *Approved,*

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