



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

EIGHTEENTH CONGRESS
First Regular Session

5767
House Bill No. _____



Introduced by Representative **GERALDINE B. ROMAN**

AN ACT
STRENGTHENING FURTHER THE COMPREHENSIVE AGRARIAN REFORM
PROGRAM (CARP), AMENDING FOR THE PURPOSE SECTION 66 OF REPUBLIC
ACT NO. 6657, OTHERWISE KNOWN AS "THE CARP LAW OF 1988"

The CARP Law is meant to be comprehensive application. It covers all private and public lands and other lands suitable for agriculture regardless of tenurial arrangement and crops produced. Over the decades, it has gone through numerous revisions and amendments, and its benefits to the farmers and land tillers cannot be denied.

After more than 30 years, however, there are long-standing issues that still need to be resolved specifically on land-ownership conflicts such as, cancellation of titles, default on land payments by agrarian-reform beneficiaries (ARBs), and the non-payment of real property taxes by the original land owners.

As presently written, Sec. 66 of the CARP Law mandates that arrearages in real property taxes shall be deductible from the compensation to which the original owner may be entitled. However, over the years, the government has followed the principle that these arrearages attach to the land. While this is based on sound principles of land ownership, one of the effects of this policy is that the actual transfer of the titles of these awarded lands to [and the corresponding enjoyment of ownership rights by] the ARBs are being held. This is because the unpaid real property taxes must be first settled before a new title is issued. Hence, these arrearages still hound the ARBs who, given their lowly station in life, do not have the means to pay.

In line with the declared policy of the State to promote the welfare of farmworkers and establish owner cultivatorship of farms, there is a need to further revise Sec. 66 of the CARP Law.

This Act shall carve out real property taxes that are unpaid by original land owners covered by the CARP Law from the application of the general law on property liens. It shall reinforce the original language and intent of Sec 66 that these arrearages shall be the liability of the original land owners and shall not pass to ARBs.

In light of the foregoing, passage of this bill is earnestly sought.


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

Section 1. Sec. 66 of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law of 1988 is hereby amended to read as follows:

"Section 66. Exemptions from Taxes and Fees of Land Transfers.— Transactions under this Act involving a transfer of ownership, whether from natural or juridical persons, shall be exempted from taxes arising from capital gains. These transactions shall also be exempted from the payment of registration fees, and all other taxes and fees for the conveyance or transfer thereof; provided, that all arrearages in real property taxes, without penalty or interest, shall be deductible from the compensation to which the owner may be entitled.

PROVIDED, HOWEVER, THAT IN NO CASE SHALL THE ARREARAGES IN REAL PROPERTY TAXES PREJUDICE THE RIGHTS OF AGRARIAN REFORM BENEFICIARIES TO THE ISSUANCE OF CERTIFICATES OF LAND OWNERSHIP AWARD AND THE CORRESPONDING TITLES IN THEIR NAMES; PROVIDED FURTHER THAT, NOTWITHSTANDING THE PROVISIONS OF ANY GENERAL LAW, THESE ARREARAGES SHALL NOT ATTACH TO THE TITLES AND OWNERSHIP RIGHTS OF THE BENEFICIARIES, AND SHALL REMAIN THE LIABILITY OF DEFAULTING LAND OWNERS AND THEIR HEIRS OR SUCCESSORS IN INTEREST PRIOR TO THE BENEFICIARIES; AND PROVIDED FINALLY THAT, THE GOVERNMENT SHALL NOT LOSE ITS RIGHTS TO COLLECT THE ARREARAGES FROM THE DEFAULTING LANDOWNERS AND THEIR HEIRS OR SUCCESSORS IN INTEREST PRIOR TO THE BENEFICIARIES.

Sec 2. *Retroactive Application.* The provisions of this Act shall apply retroactively.

Sec 3. *Repealing Clause.* All laws, decrees, executive orders, rules and regulations, issuances or parts thereof inconsistent with this Act are hereby repealed or amended accordingly.

Sec 4. *Separability Clause.* — If, for any reason, any section or provision of this Act is declared null and void, no other section, provision, or part thereof shall be affected and the same shall remain in full force and effect.

Sec 5. *Effectivity.* This Act shall take effect within fifteen (15) days following the completion of its publication in at least two (2) newspapers of general circulation.

Approved,