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# The Proposed Amendments to the Local Government Code of 1991 on Local Taxation and Fiscal Matters

The 1987 Philippine Constitution states that: The Congress shall enact a local government code which shall provide for a more responsive and accountable local government structure instituted through a system of decentralization with effective mechanisms of recall, initiative, and referendum, allocate among the different local government units their powers, responsibilities, and resources, and provide for the qualifications, election, appointment and removal, term, salaries, powers and functions and duties of local officials, and all other matters relating to the organization and operation of the local units. (Section 3, Article X, Local Government, General Provisions)

It was by virtue of this mandate that the Local Government Code (LGC) of 1991 was passed. The LGC took effect on January 1, 1992. The LGC contains, among others, provisions on decentralization, power of local government units (LGUs) to create their own sources of revenue, sharing in national taxes and a just share from the proceeds in the utilization of their natural resources.

Since its enactment, the economic and fiscal positions of the government have changed, necessitating the move of certain lawmakers to amend the said Code to attune it to the times. It is the object of this paper to present the latest and most recent Senate proposals (bills) to amend the LGC.

**MATRIX ON THE PROPOSED AMENDMENTS TO THE LOCAL GOVERNMENT CODE OF 1991  
ON TAXATION**

**17<sup>th</sup> Congress, 2016-Present**

<b>BILL</b>	<b>SALIENT FEATURES OF THE BILL</b>	<b>LGC PROVISO AFFECTED</b>	<b>COMMENTS</b>
Senate Bill (SB) 110 - An Act Providing for the Share in the National Taxes of Local Government Units, Amending for this Purpose Republic Act No. 7160, Otherwise Known as the Local Government Code of 1991 (Senator Pimentel III)	<p>Seeks to repeal/modify Sec. 284 by increasing the share of LGUs from 40% to 50% in the <i>national taxes</i>. Subject to certain conditions, adjustments may be made by the Philippine President.</p> <p>Allocation of not less than 20% of its share in the national taxes for development projects (Section 4).</p>	<p>Present share in the national taxes of LGUs:</p> <p>(a) On the first year of effectivity of LGC - 30%;</p> <p>(b) On the second year - 35%; and</p> <p>(c) On the third year – 40% but not less than 30%, as the case may be. (Sec. 284)</p>	<p>This is the “Bigger Pie, Bigger Slice” bill. SB 110 may be a step in the right direction provided local chief executives and their subordinates use the additional funds / revenue for necessary purposes (e.g. building of educational institutions, roads, bridges, programs).</p> <p>The fund is proposed to be sourced from “<i>national taxes</i>” instead of “national internal revenue taxes.” The proposal includes Bureau of Customs (BOC) collection, as well as value-added tax (VAT) collected by the BIR and BOC.</p> <p>In the case of <i>Mandanas et al, vs. Exec. Sec. Ochoa</i>, the Supreme Court ruled that local govt shares should come from ALL national taxes (G.R. Nos. 199802 and 208488, July 3, 2018).</p> <p><b>Status:</b> Pending in the Committee (8/1/2016)</p>
SB 222 - An Act Amending Section 150 of Republic Act 7160, Otherwise Known as "the Local Government Code of 1991" (Senator Sotto III)	Seeks to amend Section 150 (b) (1) by changing the percentage of sales to 10% from the present 30%, and in (b)(2) from 70% to 90%.	<p>Section 150. Situs of the Tax.</p> <p>–</p> <p>(1) 30% of all sales recorded in the principal office shall be taxable by the city or municipality where the principal office is located; and</p> <p>(2) 70% of all sales recorded in the principal office shall be taxable by the city or municipality where the factory is located.</p>	<p>SB 222 will help the cities and municipalities outside Metro Manila to cope with their financial and infrastructure needs and to provide additional source of funding for improving basic services, thereby attracting investment and local migration.</p> <p><b>Status:</b> Pending in the Committee (8/2/2016)</p>
SB 234 - An Act Institutionalizing the Income Classification of Provinces, Cities and Municipalities, and for Other Purposes (Senator Lacson)	<p>Seeks to amend the income reclassification of LGUs so that it would be reflective of their financial capability particularly in generating locally-sourced revenue.</p> <p>Issuances involved: EO 249 (Pres. Corazon Aquino) and DOF Issuances such as Order No. 23-08.</p>		<p>The reclassification will enable the LGUs to better position themselves in line with the National Government's financial and fiscal policies.</p> <p><b>Status:</b> Pending in the Committee (8/2/2016)</p>

BILL	SALIENT FEATURES OF THE BILL	LGC PROVISO AFFECTED	COMMENTS
SB 782 - An Act Rationalizing Local Taxation Amending for That Purpose Section 150, Chapter 1, Title One, Book II of Republic Act No. 7160, as Amended, Otherwise Known as The Local Government Code (Senator Escudero)	Seeks to amend Section 150 by inserting the phrase " <i>FACTORY, PROJECT OFFICE, PLANT OR PLANTATION</i> " where necessary in order to achieve a more equalized distribution of revenues, especially since most principal places of business are located in highly urbanized cities in the country like those in Metro Manila. A <i>hundred percent share</i> of all sales or transactions to LGUs is proposed so long as the same takes place in the LGU concerned. The 70-30 sharing is proposed to be deleted.	<p>Section 150. Situs of the Tax.</p> <p>(1) 30% of all sales recorded in the principal office shall be taxable by the city or municipality where the principal office is located; and</p> <p>(2) 70% of all sales recorded in the principal office shall be taxable by the city or municipality where the factory is located.</p> <p>(c) In case of a plantation located at a place other than the place where the factory is located, said seventy percent (70%) mentioned in subparagraph (b) of subsection (2) above shall be divided as follows:</p> <p style="padding-left: 20px;">(1) x x x</p> <p style="padding-left: 20px;">(2) x x x</p> <p>(d) In cases where a manufacturer, assembler, producer, exporter or contractor has two (2) or more factories, project offices, plants, or plantations located in different localities, the seventy percent (70%) sales allocation...</p>	<p>SB 782 will anchor a more equalized distribution of revenues.</p> <p><b>Status:</b> Pending in the Committee (8/10/2016)</p>
SB 810 - An Act Strengthening Local Government Participation in National Development by Increasing the Share of Local Government Units in the National Internal Revenue Taxes, Amending for the Purpose Section 284 of Republic Act No. 7160, Otherwise Known as the Local Government Code of 1991 (Senator Recto)	Seeks to amend Sec. 284 (Allotment of Internal Revenue) by increasing the share of LGUs to 50% in the national internal revenue taxes, deleting paragraphs (a) and (b).	<p>Section 284. Allotment of Internal Revenue Taxes. - Local government units shall have a share in the national internal revenue taxes based on the collection of the third fiscal year preceding the current fiscal year as follows:</p> <p>a) On the first year of the effectivity of this Code, 30%;</p> <p>b) On the second year, 35%; and</p> <p>c) On the third year and thereafter, 40%.</p>	<p>SB 810 may be of help to the LGUs to build up their participation in national development by increasing their capacities to generate revenues.</p> <p><b>Status:</b> Pending in the Committee (8/15/2016)</p>
SB 822 - An Act to Include in the Computation of the Internal Revenue Allotment (IRA), All the National Internal Revenue Taxes Collected by the Bureau of Internal Revenue and the Bureau of Customs, Amending for this Purpose Section 284 of Republic Act No. 7160, Otherwise Known as the Local Government Code of 1991 (Senator Recto)	Expands the meaning of the term " <i>National Internal Revenue Taxes</i> " by including all the taxes collected by the BIR; and VAT and excise taxes on imported goods collected by the BOC.	<p>Sec. 284. Allotment of Internal Revenue Taxes:</p> <p>(a) On the first year of effectivity of LGC - 30%;</p> <p>(b) On the second year - 35%; and</p> <p>(c) On the third year and thereafter - 40% (Sec. 284)</p>	<p>SB 822 will give a clear definition of "<i>national internal revenue taxes</i>" and will halt the deprivation of the LGUs' share in the national internal revenue tax collected on the importation of goods.</p> <p>In the case of <i>Mandanas et al. vs. Exec. Sec. Ochoa</i>, the Supreme Court ruled that local govt shares should come from ALL national taxes (G.R. Nos. 199802 and 208488, July 3, 2018).</p> <p><b>Status:</b> Pending in the Committee (8/15/2016)</p>

BILL	SALIENT FEATURES OF THE BILL	LGC PROVISO Affected	COMMENTS
SB 843 - An Act Strengthening Local Government Units by Increasing to Fifty Percent (50%) the Annual Internal Revenue Allotment Share of Local Government Units and for Other Purposes (Senator Recto)	<p>The proposed “<i>Equal Income Sharing Act of 2016</i>” seeks to increase the LGUs’ share from 40% [Sec. 284(c)] to 50% in the national internal revenue taxes, based on the collection of the third fiscal year preceding the current fiscal year.</p> <p>The 10 percentage point increase may be set aside and used for the payment of compensation, allowances, emoluments and other privileges.</p>	<p>Present share in the national taxes of LGUs:</p> <p>(a) On the first year of effectivity of LGC - 30%;</p> <p>(b) On the second year - 35%; and</p> <p>(c) On the third year – 40% but not less than 30%, as the case may be. (Sec. 284)</p>	<p>SB 843 will increase the share of the LGUs and thus, they will have greater capability to become effective partners of the national government in national progress.</p> <p><b>Status:</b> Pending in the Committee (8/15/2016)</p>
SB 1509 - An Act Amending Section 150 of Republic Act No. 7160, Otherwise Known as the Local Government Code of 1991, for the Purpose of Strengthening its Enforcement and Implementation (Senator Gatchalian)	<p>Seeks to amend Section 150 (Situs of Taxation) by adding a paragraph <b>(F)</b> which states: <i>“For the proper enforcement of this provision, the taxpayers mentioned herein shall be required to submit a schedule of their total sales or total revenues and unaudited consolidated financial statements for the preceding fiscal year within thirty (30) business days from the close of the fiscal year to the local government unit where their principal office, branch, sales office, factory, warehouse, or plantation is located, as the case may be. The percentage of the tax payable in a particular locality shall be based on the total sales or total revenues recorded in accordance with the rules specified in this section. The taxpayers mentioned herein shall have the obligation to present their total sales or total revenues and their unaudited consolidated financial statements as a condition precedent to the issuance or renewal of business permits that are necessary for their initial or continuing operations. In the case of initial operations, the taxpayers shall present their forecasted consolidated financial statements for the coming fiscal year. For purposes of the requirement imposed herein, a fiscal year shall mean the calendar year or any 12- month period ending on the last day of any month other than December, which the taxpayer follows. Unaudited consolidated financial statements shall at all times comply with generally accepted accounting principles.”</i> (Sec. 1)</p>	<p>Section 150. Situs of the Tax.</p> <p>(1) 30% of all sales recorded in the principal office shall be taxable by the city or municipality where the principal office is located; and</p> <p>(2) 70% of all sales recorded in the principal office shall be taxable by the city or municipality where the factory, project office, plant, or plantation is located.</p> <p>(c) In case of a plantation located at a place other than the place where the factory is located, said seventy percent (70%) mentioned in subparagraph (b) of subsection (2) above shall be divided as follows:</p> <p style="padding-left: 40px;">(1) x x x</p> <p style="padding-left: 40px;">(2) x x x</p> <p>(d) In cases where a manufacturer, assembler, producer, exporter or contractor has two (2) or more factories, project offices, plants, or plantations located in different localities, the seventy percent (70%) sales allocation...</p> <p>(e) x x x</p>	<p>SB 1509 seeks to strengthen the enforcement of Section 150 of the LGC as it will require taxpayers to submit reports and documentary requirements before they are issued business permits and other applicable licenses or clearances that are necessary in their business operations. This will guard against improper monitoring and dubious submissions of receipts.</p> <p><b>Status:</b> Pending in the Committee (7/26/2017)</p>

BILL	SALIENT FEATURES OF THE BILL	LGC PROVISO AFFECTED	COMMENTS
SB 1770 - An Act to Enhance Public Financial Management in Local Government Units by Amending Certain Provisions in Republic Act 7160, Otherwise Known as the Local Government Code of 1991 (Senator Angara)	<p>Proposes to amend:</p> <p>1] Section 3 (Operative Principles of Decentralization) by adding that provinces, cities, municipalities, and barangays <i>adhere to the principles and policies of good governance and efficient public financial management.</i></p> <p>2] Section 25(a) (National Supervision over LGUs) to add as a function of the President to practice good governance and instruct DILG, DOF, DBM, and NEDA to formulate guidelines and design, and develop processes and systems to facilitate the supervision.</p> <p>3] Section 108 (Representation of Non-governmental Organizations) on the guidelines on the proper selection of NGOs in the local development council.</p> <p>4] Section 109 (Functions of Local Development Councils) with an addition of a third clause "(C)" which states that the DILG, DOF, DBM, and the NEDA <i>shall issue manuals to guide the local development councils of the province, municipality, city and barangay</i> in preparing their medium-term comprehensive local development plans and medium-term and annual public investment programs.</p> <p>5] Section 113 (Secretariat) by adding their respective treasurers, budget officers and accountants as members of the planning and development coordinators.</p>	<p>Section 3. Operative Principles of Decentralization.</p> <p>e.) Provinces with respect to component cities and municipalities, and cities and municipalities with respect to component barangays, shall ensure that the acts of their component units are within the scope of their prescribed powers and functions;</p> <p>x x x</p> <p>j.) Effective mechanisms for ensuring the accountability of local government units to their respective constituents shall be strengthened in order to upgrade continually the quality of local leadership;</p> <p>x x x"</p> <p>"Section 25. National Supervision over Local Government Units. -</p> <p>(a) Consistent with the basic policy on local autonomy, the President shall exercise general supervision over local government units to ensure that their acts are within the scope of their prescribed powers and functions.</p> <p>The President shall exercise supervisory authority directly over provinces, highly urbanized cities, and independent component cities; through the province with respect to component cities and municipalities; and through the city and municipality with respect to barangays.</p> <p>x x x"</p> <p>"Section 29. Provincial Relations with Component Cities and Municipalities. - The province, through the governor, shall ensure that every component city and municipality within its territorial jurisdiction acts within the scope of its prescribed powers and functions. Highly urbanized cities and independent component cities shall be independent of the province."</p>	<p>SB 1770 will encourage harmonization and complementarity between local plans and investment programs and national plans and investment programs.</p> <p>It is likewise espoused that there is a need to shift from short-term public financial management to medium and long-term public financial management. The provision for oversight and guidance is also propounded.</p> <p><b>Status:</b> Pending in the Committee (5/16/2018)</p>

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	<p>6] Section 316 (Local Finance Committee) by adding the local accountant in the local finance committee.</p> <p>7] Section 319 (Legislative Authorization of the Budget) by adding that the approved annual investment program be likewise submitted by the local chief executive.</p>	<p>“Section 32. City and Municipal Supervision over Their Respective Barangays. - The city or municipality, through the city or municipal mayor concerned, shall exercise general supervision over component barangays to ensure that said barangays act within the scope of their prescribed powers and functions.”</p> <p>“Section 108. Representation of Non-governmental Organizations. - Within a period of sixty (60) days from the start of organization of local development councils, the non-governmental organizations shall choose from among themselves their representatives to said councils. The local sanggunian concerned shall accredit non-governmental organizations subject to such criteria as may be provided by law.”</p> <p>“Section 113. Secretariat. - There is hereby constituted for each local development council a secretariat which shall be responsible for providing technical support, documentation of proceedings, preparation of reports and such other assistance as may be required in the discharge of its functions. The local development council may avail of the services of any non-governmental organization or educational or research institution for this purpose.</p> <p>“Section 114. Relation of Local Development Councils to the Sanggunian and the Regional Development Council. -</p> <p>(a) The policies, programs, and projects proposed by local development councils shall be submitted to the sanggunian concerned for appropriate action.</p> <p>“Section 316. Local Finance Committee. - There is hereby created in every province, city or municipality a local finance committee to be composed of the local planning and development officer, the local budget officer, and the local treasurer. It shall exercise the following functions:</p>	

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		"Section 319. Legislative Authorization of the Budget. - On or before the end of the current fiscal year, the sanggunian concerned shall, through an ordinance, enact the annual budget of the local government unit for the ensuing fiscal year on the basis of the estimates of income and expenditures submitted by the local chief executive."	
SB 1771 - An Act to Enhance the Taxing Powers of Local Government Units by Amending Certain Provisions in Book II of Republic Act 7160, Otherwise Known as the Local Government Code of 1991 (Senator Angara)	<p>Seeks to amend:</p> <p>1] Section 141 (Annual Fixed Tax for Every Delivery Truck or Van of Manufacturers or Producers, Wholesalers of, Dealers, or Retailers in, Certain Products) by increasing <b>P500 to P1,500</b>, and adding <i>The Sangguniang Panlalawigan may increase the annual fixed tax for every truck, van or any vehicle used by manufacturers, producers, wholesales, dealers or retailers in the delivery or distribution of distilled spirits, fermented liquors, soft drinks, cigars and cigarettes, and other products to sales outlets, or consumers, whether directly or indirectly, once every three (3) years based on guidelines issued by the Bureau of Local Government Finance of the DOF utilizing the consumer price index as the basis for the increase in the ceiling of the aforementioned annual fixed tax.</i></p> <p>2] Section 150 by requiring ALL businesses maintaining or operating branch, etc to record the sale in the branch and the tax shall accrue and paid in the CITY OR municipality where it is located.</p> <p>The allocation is proposed to be amended to 10% and 90%.</p> <p>3] Section 192 (Authority to Grant Local Tax Exemption Privileges) by imposing a limitation on the extent LGUs can provide local exemptions from taxes, fees and charges provided, that the duration of such incentives shall not exceed a total of six (6) consecutive years from the effective date of granting.</p>	<p>Section 141. Annual Fixed Tax For Every Delivery Truck or Van of Manufacturers or Producers, Wholesalers of, Dealers, or Retailers in, Certain Products. -</p> <p>(a) The province may levy an annual fixed tax for every truck, van or any vehicle used by manufacturers, producers, wholesaler, dealers... x x x</p> <p>"Section 150. Situs of the Tax. -</p> <p>(a) x x x</p> <p>(b) x x x:</p> <ul style="list-style-type: none"> <li>(1) Thirty percent (30%) of all sales recorded in the principal office</li> <li>(2) Seventy percent (70%) of all sales recorded in the principal office shall be taxable by the city or municipality</li> </ul> <p>(c) In case of a plantation located at a place other than the place where the factory is located, x x x (2) above shall be divided as follows:</p> <p>(d) In cases where a manufacturer, assembler, producer, exporter or contractor has two (2) or more factories, project offices, plants, or plantations located in different localities, the seventy percent (70%) sales allocation...</p> <p>"Section 192. Authority to Grant Tax Exemption Privileges. - Local government units may, through ordinances duly approved, grant tax exemptions, incentives or reliefs under such terms and conditions as they may deem necessary."</p>	<p>SB 1771 will strengthen and further empower LGUs towards the attainment of national development goals, by providing them greater means to create their own sources of revenue.</p> <p><b>Status:</b> Pending in the Committee (5/16/2018)</p>

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SB 1772 - An Act Providing for Business-Friendly Tax Remedies in Local Government Units by Amending Certain Provisions In Book II of Republic Act 7160, Otherwise Known as the Local Government Code of 1991 (Senator Angara)	<p>Seeks to amend:</p> <p>1] Section 59 (Effectivity of Ordinances or Resolutions), by changing the period to 15 days following the completion of their publication in a newspaper of general or local circulation.</p> <p>2] Section 187 (Procedure for Approval and Effectivity of Tax Ordinances and Revenue Measures; Mandatory Public Hearings) by providing for the ensuing procedure in the conduct of hearing:</p> <p>(1) Within 10 days from filing of any proposed tax ordinance or revenue measure, the same shall first be published for 3 consecutive days in a newspaper of local circulation and shall be posted simultaneously in at least 4 conspicuous public places within the territorial jurisdiction of the LGU concerned.</p> <p>(2) In addition to the requirement for publication or posting, the sanggunian concerned shall cause the sending of written notices of the proposed ordinance, enclosing a copy thereof, to the interested or affected parties operating or doing business within the territorial jurisdiction of the LGU concerned.</p> <p>(3) The notice or notices shall specify the date or dates and venue of the public hearing or hearings. The initial public hearing shall be held not earlier than ten (10) days from the sending out of notice or notices, or the last day of publication, or date of posting thereof, whichever is later.</p> <p>(4) At the public hearing or hearings, all affected or interested parties shall be accorded an opportunity to appear and present or express their views, comments and recommendations, and such public hearing or hearings shall continue until all issues have been presented and fully deliberated upon and/or consensus is obtained, whether for or against the enactment of the proposed tax ordinance or revenue measure: provided, further, that taxpayers are allowed a sufficient period of time to submit position papers.</p>	<p>Section 59. Effectivity of Ordinances or Resolutions. -</p> <p>(a) Unless otherwise stated in the ordinance or the resolution approving the local development plan and public investment program, the same shall take effect after ten (10) days from the date a copy thereof is posted in a bulletin board at the entrance of the provincial capitol or city, municipal, or barangay hall, as the case may be, and in at least two (2) other conspicuous places in the local government unit concerned.</p> <p>“Section 187. Procedure for Approval and Effectivity of Tax, Ordinances and Revenue Measures; Mandatory Public Hearings. - The procedure for approval of local tax ordinances and revenue measures shall be in accordance with the provisions of this Code: x x x</p> <p>“Section 188. Publication of Tax Ordinances and Revenue Measures. - Within ten (10) days after their approval, certified true copies of all provincial, city, and municipal tax ordinances or revenue measures shall be published in full for three (3) consecutive days in a newspaper of local circulation: Provided, however, That in provinces, cities and municipalities where there are no newspapers of local circulation, the same may be posted in at least two (2) conspicuous and publicly accessible places.”</p> <p>“Section 195. Protest of Assessment. - When the local treasurer or his duly authorized representative finds that correct taxes, fees, or charges have not been paid, he shall issue a notice of assessment stating the nature of the tax, fee, or charge, the amount of deficiency, the surcharges, interests and penalties. Within sixty (60) days from the receipt of the notice of assessment x x x</p>	<p>SB 1772 will ensure and uphold the right of taxpayers to due process in the passage of local tax ordinances and will institutionalize legal measures which are aimed at curbing the practice of local sanggunians promulgating tax ordinances without conducting prior public hearings and affording proper notice.</p> <p><b>Status:</b> Pending in the Committee (5/16/2018)</p>

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	<p>(5) The secretary of the sanguinian concerned shall prepare the minutes of such public hearing and shall attach to the minutes the position papers, memoranda, and other documents submitted by those who participated.</p> <p>(C) No tax ordinance or revenue measure shall be enacted or approved in the absence of a public hearing duly conducted in the manner provided in this article.</p> <p>Paragraph (D) details the procedural aspect for appeal in case of non-compliance. Likewise, the appeal on violations of the common limitations may now be raised anytime to the Secretary of Justice (SOJ). (Sec. 2)</p> <p>3] Section 188 (Publication of Tax Ordinances and Revenue Measures), the 10-day period is proposed to be increased to 15. It is also suggested that the same may be posted in a bulletin board at the entrance of the provincial capitol or city, municipal, or barangay hall, as the case may be, and no tax ordinance or revenue measure shall be valid without complying with the provisions of this section. (Sec. 3)</p> <p>4] Section 195 (Protest of Payment), the periods under Section 194 is proposed to be adapted. The facts and law upon which such assessment is based shall also be stated. The SOF, on appeal, shall render a decision within sixty (60) days from receipt thereof, otherwise the assessment becomes conclusive and unappealable. Within thirty (30) days from the receipt of the denial of the protest or from the lapse of the sixty (60) day period prescribed herein within which to decide, the aggrieved party may file appropriate proceedings with the Court of Tax Appeals. This is in relation to Section 171 (Sec. 4).</p>	<p>“Section 196. Claim for Refund of Tax Credit. - No case or proceeding shall be maintained in any court for the recovery of any tax, fee, or charge erroneously or illegally collected until a written claim for refund or credit has been filed with the local treasurer. No case or proceeding shall be entertained in any court after the expiration of two (2) years from the date of the payment of such tax, fee, or charge, or from the date the taxpayer is entitled to a refund or credit.”</p> <p>“Section 226. Local Board of Assessment Appeals. - Any owner or person having legal interest in the property who is not satisfied with the action of the provincial, city or municipal assessor in the assessment of his property may, within sixty (60) days from the date of receipt of the written notice of assessment, appeal to the Board of Assessment Appeals of the provincial or city by filing a petition under oath in the form prescribed for the purpose, together with copies of the tax declarations and such affidavits or documents submitted in support of the appeal.”</p> <p>“Section 229. Action by the Local Board of Assessment Appeals. -</p> <p>(a) The Board shall decide the appeal within one hundred twenty (120) days from the date of receipt of such appeal. The Board, after hearing, shall render its decision based on substantial evidence or such relevant evidence on record as a reasonable mind might accept as adequate to support the conclusion.</p> <p>“Section 252. Payment Under Protest. -</p> <p>(a) No protest shall be entertained unless the taxpayer first pays the tax. There shall be annotated on the tax receipts the words “paid under</p>	

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	<p>The local treasurer shall not require the payment as a precondition for accepting a protest, neither shall he/she withhold issuance of business permit by virtue of pending protest.</p> <p>5] Section 196 (Claim for Refund of Tax Credit), No case or proceeding shall be maintained in any court for the recovery of any tax, fee, or charge erroneously or illegally collected until a written claim for refund or credit has been filed with the local treasurer [No case or proceeding shall be entertained in any court after the expiration of two (2) years from the date of the payment of such tax, fee, or charge, or from the date the taxpayer is entitled to a refund or credit] "<i>within two (2) years from the date of the payment of such tax, fee, or charge or from the date the taxpayer is entitled to a refund or credit, whichever is later. The local treasurer shall have sixty (60) days from the date of receipt of such claim within which to decide on such claim. The decision or inaction of the local treasurer may be appealed within thirty (30) days to the Secretary of Finance, who shall render a decision on such appeal within sixty (60) days from receipt thereof. The party adversely affected by the decision or inaction of the Secretary of Finance may appeal to the Court of Tax Appeals within thirty (30) days from receipt of the decision or lapse of the 60-day period to decide.</i> [No case or proceeding shall be entertained in any court after the expiration of two (2) years from the date of the payment of such tax, fee, or charge, or from the date the taxpayer is entitled to a refund or credit.] (Sec. 5)</p>	<p>protest". The protest in writing must be filed within thirty (30) days from payment of the tax to the provincial, city treasurer or municipal treasurer, in the case of a municipality within Metropolitan Manila Area, who shall decide the protest within sixty (60) days from receipt.</p>	

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	<p>6] Section 226 (Local Board of Assessment Appeals), Any owner or person having legal interest x x x who is not satisfied x x x may, within sixty (60) days from the date of receipt of the written notice of assessment “file a written protest thereof with the local assessor, who shall have thirty (30) days to act on such protest. Within thirty (30) days from receipt of the adverse decision of the local assessor or the lapse of the period given to the local assessor to render a decision, the aggrieved party may appeal to the Board of Assessment Appeals X x x. (Sec. 6)</p> <p>7] Section 229 (Action by the Local Board of Assessment Appeals), for emphasis, the word “LOCAL” is proposed to be inserted where applicable (before the word ‘Board’). The decision of the Central Board may be appealed to the CTA within 30 days from receipt of decision <i>or after the lapse of the 120-day period given to the Central Board to act on such appeal</i> (Sec. 7).</p> <p>8] Section 252 (Payment Under Protest), the 30-day period is proposed to be changed to 60.</p> <p>An additional clause (E) is suggested to be added, viz:</p> <p><b>(E) The decision or inaction of the local treasurer may be appealed within thirty (30) days to the Secretary of Finance, who shall render a decision on such appeal within sixty (60) days from receipt thereof.</b></p> <p><i>The party adversely affected by the decision or inaction of the Secretary of Finance may appeal to the Court of Tax Appeals within thirty (30) days from receipt of the decision or lapse of the 60-day period to decide (Sec. 8).</i></p>		

BILL	SALIENT FEATURES OF THE BILL	LGC PROVISO AFFECTED	COMMENTS
SB 1773 - An Act to Rationalize Credit Financing for Local Government Units by Amending Certain Provisions in Book II of Republic Act 7160, Otherwise Known as the Local Government Code of 1991 (Senator Angara)	<p>Seeks to amend:</p> <p>1] Section 296 (Credit Financing – General Policy), by proposing to delete the second paragraph, which states that LGUs may avail of credit lines from government or private banks and lending institutions for purposes of stabilizing local finances (Sec. 1).</p> <p>Section 311 (Depository Accounts), the preference extended to government-owned banks is proposed to be deleted (Sec. 2).</p>	<p>“Section 296. General Policy. -</p> <p>(a) It shall be the basic policy that any local government unit may create indebtedness, and avail of credit facilities to finance local infrastructure and other socio-economic development projects in accordance with the approved local development plan and public investment program.</p> <p>(b) A local government unit may avail of credit lines from government or private banks and lending institutions for the purpose of stabilizing local finances.”</p> <p>“Section 311. Depository Accounts. - Local treasurers shall maintain depository accounts in the name of their respective local government units with banks, preferably government-owned, located in or nearest to their respective areas of jurisdiction. Earnings of each depository account shall accrue exclusively thereto.”</p>	<p>SB 1773 will ensure that LGUs have greater access to financing in order to carry out their expanded responsibilities under the LGC. Preference for government financial institutions (GFIs) hinders LGUs route to more abundant private capital markets.</p> <p><b>Status:</b> Pending in the Committee (5/16/2018)</p>
SB 1774 - An Act to Reduce the Cost of Doing Business In Local Government Units by Amending Certain Provisions in Book II of Republic Act 7160 Otherwise Known as the Local Government Code of 1991 (Senator Angara)	<p>Wishes to amend:</p> <p>1] Section 131 (Definition of Terms), changing and expanding the definitions of "charge" — refers to liability for services rendered or conveniences provided by the LGU, the amount of which should be commensurate to such services and capital recovery which ensures continued delivery; and "fee" — refers to a liability imposed for the regulation or inspection of a business or activity the amount of which should be commensurate to the administrative cost of regulation and surveillance. (Sec. 1)</p> <p>2] Section 147 (Fees and Charges), by adding the word "MUNICIPAL" in the title and deleting "and Charges". It adds that guidelines be provided by</p>	<p>“Section 131. Definition of Terms. - When used in this Title, the term:</p> <p>(a) "Agricultural Product" includes the yield of the soil, such as corn, rice, wheat, rye, hay, coconuts, sugarcane, tobacco, root crops, vegetables, fruits, flowers, and their by-products; ordinary salt; all kinds of fish; poultry; and livestock and animal products, whether in their original form or not. x x x”</p> <p>“Section 147. Fees and Charges. - The municipality may impose and collect such reasonable fees and charges on business and occupation and, except as reserved to the province in Section 139 of this</p>	<p>SB 1774 will raise LGU competitiveness and strike a healthy balance between revenue generation and private business promotion.</p> <p><b>Status:</b> Pending in the Committee (5/16/2018)</p>

BILL	SALIENT FEATURES OF THE BILL	LGC PROVISO AFFECTED	COMMENTS
	<p>the Bureau of Local Government Finance (BLGF) for the recovery of administrative costs. (Sec. 2)</p> <p>3] Section 149 (Fishery Rentals, Fees and Charges), in the title by removing the term "rentals" before 'Fees' adding LICENSE before the term "fees," and RENTAL before the term "charges".</p> <p>In paragraph 1(b), the following is proposed to be inserted after "as determined by it" "<i>and levy rental charges for said privilege subject to guidelines to be provided by the Bureau of Local Government Finance of the DOF, the DENR, and the Bureau of Fisheries and Aquatic Resources of the DA on the setting of local charges taking into consideration the costs of services for the environmental maintenance and sustainability of the municipal waters covered by the privilege.</i>"</p> <p>In paragraph 3 of the same clause, "<i>and levy fees subject to guidelines to be provided by the Bureau of Local Government Finance of the DOF on the setting of local fees taking into consideration the recovery of administrative costs</i>" shall be added "under existing laws." (Sec.3)</p> <p>4] Section 152 (Scope of Taxing Powers), by removing [service fees or] from the title of clause (a) [Service Fees or Charges], retaining the word 'Charges', and adding <i>subject to guidelines to be provided by the Bureau of Local Government Finance of the DOF on the setting of local fees taking into consideration the recovery of administrative costs</i> after "tobacco dryers."</p> <p>In clause (c) on Barangay Clearance, <i>subject to guidelines to be provided by the Bureau of Local Government Finance of the DOF on the setting of local fees taking into consideration the recovery of administrative costs</i> will be added after "impose a reasonable fee."</p> <p>In clause (d), "and charges" will be removed from its title [Other fees and Charges], adding <i>subject to guidelines to be provided by the Bureau of Local Government Finance of the DOF on the setting of local</i></p>	<p>Code, on the practice of any profession or calling, commensurate with the cost of regulation, inspection and licensing before any person may engage in such business or occupation, or practice such profession or calling."</p> <p>"Section 149. Fishery Rentals, Fees and Charges. -</p> <p>(a) Municipalities shall have the exclusive authority to grant fishery privileges in the municipal waters and impose rentals, fees or charges therefor in accordance with the provisions of this Section. x x x"</p> <p>"Section 152. Scope of Taxing Powers. - The barangays may levy taxes, fees, and charges, as provided in this Article, which shall exclusively accrue to them:</p> <p>"Section 153. Service Fees and Charges. - Local government units may impose and collect such reasonable fees and charges for services rendered."</p> <p>"Section 154. Public Utility Charges. - Local government units may fix the rates for the operation of public utilities owned, operated and maintained by them within their jurisdiction."</p> <p>"Section 155. Toll Fees or Charges. - The sanggunian concerned may prescribe the terms and conditions and fix the rates for the imposition of toll fees or charges for the use of any public road, pier, or wharf, waterway, bridge, ferry or telecommunication system funded and constructed by the local government unit x x x</p>	

BILL	SALIENT FEATURES OF THE BILL	LGC PROVISO AFFECTED	COMMENTS
	<p><i>fees taking into consideration the recovery of administrative costs after “a reasonable fee” (Sec. 4).</i></p> <p>5] Section 153 (Service Fees and Charges), by removing the terms [service] and [or,] and adding OTHER before fees in the title of the section [Service Fees or Charges], and now to read “Other Fees and Charges”. Also adding <i>subject to guidelines to be provided by the Bureau of Local Government Finance of the DOF on the setting of local fees taking into consideration the recovery of administrative, capital, maintenance and other service delivery costs after “fees and charges rendered.”</i> (Sec. 5)</p> <p>6] Section 154 (Public Utility Charges), by adding <i>provided by the Bureau of Local Government Finance of the DOF on the setting of local fees taking into consideration the recovery of capital, maintenance and other service delivery costs after “within their jurisdiction.”</i> (Sec. 6)</p> <p>7] Section 155 (Toll Fees or Charges), by removing [fees or] from the title [Toll Fees or Charges], to read as follows: “Toll Charges”. Changing the word “fix” to SET in the first portion of the proviso and requiring that guidelines be <i>provided by the Bureau of Local Government Finance of the DOF on the setting of local fees taking into consideration the recovery of capital, maintenance and other service delivery costs.</i> (Sec. 7)</p> <p>Repeals: Section 139 on Professional Tax (Sec. 8).</p>		
SB 1775 - An Act To Simplify Local Taxes to Enhance Tax Compliance in Local Government Units by Amending Certain Provisions in Book II of Republic Act 7160, Otherwise Known as the Local Government Code of 1991 (Senator Angara)	<p>Seeks to amend:</p> <p>1] Section 143 (Tax on Business), by harmonizing the business tax to single rate of 1.5% of gross sales or receipts by providing for the following amendment: <i>“any business including those subject to franchise tax under sec. 137, at rates not exceeding one and a half percent (1.5%) of gross sales or receipts of the preceding calendar year.</i> (Sec.1)</p>	<p>“Section 143. Tax on Business. - The municipality may impose taxes on the following businesses:</p> <p>(a) On manufacturers, assemblers, repackers, processors, brewers, distillers, rectifiers, and compounders of liquors, distilled spirits, and wines or manufacturers of any article of commerce of whatever kind or nature, in accordance with the following schedule:</p> <p>“Section 146. Payment of Business Taxes. -</p>	<p>SB 1775 will strengthen and empower LGUs through harmonizing the business tax to a single rate of 1.5% of gross sales.</p> <p>The proposal will necessitate the key reforms in implementation of the LGC and will simplify the taxing process. Hopefully, this will assist in the creation of new and better jobs and revitalize and work for economic growth in their communities.</p> <p><b>Status:</b> Pending in the Committee (5/16/2018)</p>

BILL	SALIENT FEATURES OF THE BILL	LGC PROVISO AFFECTED	COMMENTS
	<p>2] Section 146 (Payment of Business Taxes), clause (b), will now read as follows:</p> <p>In cases where a person conducts or operates two (2) or more businesses, the tax shall be computed on the combined total gross sales or receipts of the said two (2) or more businesses.</p> <p>Paragraph (c) will now provide:</p> <p>THE PAYMENT OF THE LOCAL BUSINESS TAX SHALL BE MADE NO LATER THAN MARCH 31 OF THE CURRENT YEAR. (Sec. 2)</p>	(a) The taxes imposed under Section 143 shall be payable for every separate or distinct establishment or place where business subject to the tax is conducted and one line of business does not become exempt by being conducted with some other business for which such tax has been paid. The tax on a business must be paid by the person conducting the same.	
SB 1787 - An Act Updating the Requisites for the Creation of Municipalities, Cities, and Provinces by Amending Certain Provisions in Book III of Republic Act 7160 Otherwise Known as the Local Government Code of 1991 (Senator Angara)	<p>Seeks to amend:</p> <p>1] Section 442 (Requisites for Creation), paragraph (a), the income is proposed to be <b>LOCALLY-GENERATED</b> and the amount increased to: <b>TWELVE MILLION FIVE HUNDRED THOUSAND PESOS (P12,500,000.00).</b> The NSO is now <b>PHILIPPINE STATISTICS AUTHORITY (PSA)</b> (Sec. 1).</p> <p>2] Section 450 (City – Requisites for Creation), NSO is replaced by PSA (Sec. 2).</p> <p>3] Section 452 (Highly Urbanized Cities), PSA will replace NSO and income is upped to P250M for the last 2 consecutive years based on year 2000 constant prices (Sec. 3).</p> <p>4] Section 461 (Requisites for Creation), PSA replaces NSO. The amount is proposed to be increased to P100M based on year 2000 constant prices, subject to certain conditions. (Sec. 4)</p>	<p>“Section 442. Requisites for Creation. -</p> <p>(a) A municipality may be created if it has an average annual income, as certified by the provincial treasurer, of at least Two million five hundred thousand pesos (P2,500,000.00) for the last two (2) consecutive years based on the 1991 constant prices; a population of at least twenty-five thousand (25,000) inhabitants as certified by the National Statistics Office; and a contiguous territory of at least fifty (50) square kilometers as certified by the Lands Management Bureau:</p> <p>“Section 450. Requisites for Creation.</p> <p>(ii) a population of not less than one hundred fifty thousand (150,000) inhabitants, as certified by the National Statistics Office:</p>	<p>SB 1787 will give a more consistent criteria for the creation of municipalities, cities and provinces. It is stressed that the income must be ‘locally-generated’. The amount has been increased.</p> <p><b>Status:</b> Pending in the Committee (5/16/2018)</p>

BILL	SALIENT FEATURES OF THE BILL	LGC PROVISO AFFECTED	COMMENTS
		<p>“Section 452. Highly Urbanized Cities.</p> <p>(a) Cities with a minimum population of two hundred thousand (200,000) inhabitants as certified by the National Statistics Office, and within the latest annual income of at least Fifty Million Pesos (P50,000,000.00) based on 1991 constant prices, as certified by the city treasurer, shall be classified as highly urbanized cities.</p> <p>“Section 461. Requisites for Creation.</p> <p>(a) A province may be created if it has an average annual income, as certified by the Department of Finance, of not less than Twenty million pesos (P20,000,000.00) based on 1991 constant prices and either of the following requisites:</p> <p>(ii) a population of not less than two hundred fifty thousand (250,000) inhabitants as certified by the National Statistics Office:</p>	
SB 1788 - An Act to Enhance the Share of Local Government Units in Internal Revenue Taxes (Senator Angara)	Seeks to amend Section 284 (Allotment of Internal Revenue Taxes) by adding <i>inclusive of value added tax and excise taxes on imported goods</i> based on the collection of the 3 <sup>rd</sup> fiscal year preceding the current fiscal year x x x (Sec.1).	<p>“Section 284. Allotment of Internal Revenue Taxes. – Local government units shall have a share in the national internal revenue taxes based on the collection of the third fiscal year preceding the current fiscal year as follows:</p>	<p>SB 1788 will give clarification that the collections from the imposition of the VAT on imported goods are part of national internal revenue and of the IRA.</p> <p>This ensures additional funding for LGUs.</p> <p><b>Status:</b> Pending in the Committee (5/16/2018)</p>



# Synopsis on Latest Customs Memorandum Orders (CMOs) and Customs Administrative Orders (CAOs)

Issued Pursuant to the Customs Modernization and Tariff Act (CMTA)  
by:

**ELSIE T. JESALVA**  
SLSO-II - Indirect Taxes Branch

ISSUANCE NO.	SUBJECT	DATE SIGNED
<b>Customs Memorandum Orders (CMOs)</b>		
CMO 10-2018	<b>Implementation of Enhanced Goods Declaration Verification System (EGDVS)</b> Section 1. <u>Coverage</u> . This Order shall initially cover the implementation of EGDVS at the Port of Clark, Port of Subic and Port of Batangas involving goods declarations processed at the Formal Entry Division (FED) or its equivalent unit. (Implements sections 1201 – 1206 and other related articles)	07/12/2018
CMO 9-2018	<b>Legal Case Management System</b> Implements the penal provisions of the CMTA. Covers Criminal cases filed through Bureau's Action Team Against Smugglers (BATAS) and administrative Cases involving erring customs employees.	06/26/2018
CMO 8-2018	Amendment to CMO 01-2017 dated January 05, 2017 Entitled Operation and Sustainment of Program-Provided Equipment (PPE) for Detection of Weapons of Mass Destruction (WMD) under the National Coast Watch System (NCWS) Project, Pursuant to Executive Order (EO) No. 57, Series of 2011.	06/20/2018

ISSUANCE NO.	SUBJECT	DATE SIGNED
CMO 6-2018	<p><b>Submission of Advance Cargo Manifest and Other Documents to the Bureau's Advanced Manifest System.</b></p> <p>This order prescribes the operational guidelines on submission of advance manifest and other required documents from the foreign carriers, shipper, consignee, accredited cargo surveying company (ACSC), and their authorized agent to the Bureau's Advanced Manifest System.</p> <p>Covers sea freight and air freight in the Philippine Ports of Entry.</p>	05/7/2018
CMO 5-2018	<p>Supplemental to Customs Memorandum Order (CMO) No. 11-2014, Revised Guidelines for Registration of Importers and Customs Brokers with the Bureau of Customs (BOC). Implements Section 1200 re Customs Brokers and other Service Providers.</p>	04/24/2018
CMO 4-2018	<p><b>Manual of Procedure for Forfeiture Cases</b></p> <p><u>Section 1. Scope and Coverage.</u> This CMO prescribes the guidelines and detailed procedures governing forfeiture proceedings in Bureau of Customs pursuant to Section 204 of the Customs Modernization and Tariff Act (CMTA).</p> <ul style="list-style-type: none"> <li>• Section 204 - Promulgation of Rules and Regulations.</li> <li>• Implements Title XI, Chapter 4 on Seizure and Forfeiture</li> </ul>	03/22/2018
CMO 2-2018	<p>Amendment to CMO 04-2014 Entitled "Policies, Guidelines and Procedures for the Accreditation of Importers and Customs Brokers with Bureau of Customs (BOC) Pursuant to DOF Department Order No. 12-2014."</p> <p>Implements Section 1200.</p>	01/11/2018
CMO 1-2018	<p>Limiting the Number of Authorized Representative / Processor of Customs Broker Transacting with the Bureau of Customs</p> <p>Implements Section 1200.</p>	01/11/2018
CMO 15-2017	<p>Guidelines on the Implementation of Conditionally Tax and/or Duty-Exempt Importation of Returning Residents and Returning OFWs Pursuant to CAO No. 06-2016.</p> <p>Implements Section 800 (f) of the Customs Modernization and Tariff Act (CMTA).</p> <p>a) Section 800 (f) - Conditionally Tax and/or Duty-Exempt Importation</p>	07/28/2017
CMO 4-2017	<p>Guidelines on the Implementation of Customs Administrative Order (CAO) No. 05-2016 on consolidated shipment of Duty and Tax-Free "<b>Balikbayan Boxes</b>" as found under Section 102 (gg) [Freight Forwarder]</p>	01/20/2018
CMO 33-2016	<p>Guidelines in the Implementation of Customs Administrative Order (CAO) No. 05-2016 on consolidated shipment of Duty and Tax-Free "<b>Balikbayan Boxes</b>"</p> <p>a) Section 800 – Conditionally Tax and/or Duty-exempt Importation.</p>	11/28/2016

ISSUANCE NO.	SUBJECT	DATE SIGNED
<b>CMO 30-2016</b>	Guidelines in the Implementation of an Advance Ruling System for Valuation and Rules of Origin Pursuant to CAO No. 03-2016 <ul style="list-style-type: none"> <li>a) Implements CAO No. 03-2016 establishing and Advance Ruling System in the Philippines regarding customs valuation method, preferential and non-preferential origin of goods.</li> <li>b) To establish the parameters and procedures for Advance Ruling Requests.</li> <li>c) To provide for all administrative matters with respect to the issuance, denial, revocation, modification, and publication of Advance Ruling.</li> </ul>	11/28/2016
<b>CMO 28-2016</b>	<b>Guidelines in the Implementation of Customs Administrative Order (CAO) No. 02-2016</b> Section 1. <u>Scope</u> . This CMO applies to importations which are otherwise dutiable, with an FCA <sup>1</sup> or FOB <sup>2</sup> <i>De Minimis</i> Value.	11/14/2016
<b>Customs Administrative Orders (CAOs)</b>		
<b>CAO 5-2017</b>	<b>Establishment of Authorized Economic Operator (AEO) Program.</b> This CAO implements: Section 1227 - Treatment of AEOs and Section 1228 - Trade facility for AEO	07/17/2017
<b>CAO 3-2017</b>	<b>Clearance of Postal Items</b> Implements: 1. Section 438, Chapter 4, Title IV - Postal Item or Mail (Special Procedure); 2. Section 800, Chapter 1, Title VIII (Conditionally Tax and/or duty-Exempt Importation - Personal and household effects belonging to returning residents, 2.1. Paragraph (f) - Personal and household effects belonging to returning residents, etc; and 2.2. Paragraph (g), - Residents of the Philippines, Overseas Filipino Workers (OFWs), etc.	04/21/2017
<b>CAO 1-2017</b>	<b>Customs Clearance of Accompanied and Unaccompanied Baggage of Travelers and Crew</b> Implements: 1. Sections 215, 216, 221 and 223 Chapter 3, Title II (Exercise of Police Authority; <ul style="list-style-type: none"> <li>a) Section 215 - Place where authority may be exercised;</li> <li>b) Section 216 - Exercise of Power of Seizure;</li> <li>c) Section 221 - Authority to Search Vessels or Aircrafts and Persons or Goods conveyed therein.</li> </ul> 2. Section 437, Chapter 4, Title IV (Special Procedures); <ul style="list-style-type: none"> <li>a) Section 437 - Traveler and Passenger Baggage;</li> </ul> 3. Section 800 (f), (g) and (h), Chapter 1, Title VIII; <ul style="list-style-type: none"> <li>a) Paragraph (f) - Personal and household effects belonging to returning residents, etc;</li> <li>b) Paragraph (g), - Residents of the Philippines, Overseas Filipino Workers (OFWs), etc</li> <li>c) Paragraph (h), - Wearing apparel, goods of personal adornment, toilet goods, portable tools and instruments, etc.</li> </ul>	03/10/2017

<sup>1</sup> FCA = Free Carrier<sup>2</sup> FOB = Free On Board Vessel

ISSUANCE NO.	SUBJECT	DATE SIGNED
	4. Sections 1400, 1404 and 1409, Chapter 1, Title XIV and other related provisions of RA 10863. (Offenses and Penalties) <ul style="list-style-type: none"> <li>a) Section 1400 - Misdeclaration, Misclassification, Under-valuation in Goods Declaration</li> <li>b) Section 1404 - Failure to Declare Baggage</li> <li>c) Section 1409 - Unloading of Cargo at Improper time or Place after Arrival.</li> </ul>	
CAO 6-2016	<b>Conditionally Tax and/or Duty – Exempt Importation of Returning Residents and Overseas Filipino Worker</b> Implements Section 800 (f), Chapter 1, Title VIII, and other relevant sections of RA 10863 <ul style="list-style-type: none"> <li>a) Paragraph (f) - Conditionally Tax and/or Duty-exempt Importation</li> </ul>	12/2/2016
CAO 5-2016	<b>Consolidated Shipment of Duty and Tax-Free “Balikbayan Boxes”</b> Applies to consolidated shipments of Balikbayan Boxes entered through any port of entry, sent to families or relatives by Qualified Filipinos while abroad, under section 800 (g) - Conditionally Tax and/or Duty-exempt Importation	12/2/2016
CAO 4-2016	<b>Amendment of CAO 10-2007 on the Rate of Auction Bond</b> Pursuant to Section 1141 of RA 10863, Section 7.c of CAO 10-2007 is amended. <ul style="list-style-type: none"> <li>a) Section 1141 - Mode of Disposition</li> <li>b) Section 7.c of CAO 10-2007 - Posting of a duly receipted bond in cash or manager's check, in accordance with the schedule.</li> </ul>	10/26/2016
CAO 3-2016	<b>Establishment of an Advance Ruling System for Valuation and Rules of Origin</b> <ul style="list-style-type: none"> <li>1. Advance ruling system in the BOC for valuation and rules of origin, pursuant to Sections 1100-1104, Chapter I, Title XI in relation to Section 204, Chapter I, Title II:               <ul style="list-style-type: none"> <li>a) Section 1100 - Classification Ruling;</li> <li>b) Section 1101 - Valuation Ruling;</li> <li>c) Section 1102 - Ruling on the Rules of Origin</li> <li>d) Section 1103 - Conditions for Application and Effect of Advance Ruling</li> <li>e) Section 1104 - Administrative and Judicial Appeals</li> </ul> </li> <li>2. Section 1105, Chapter I, Title XI               <p>Taking into account the commitments of the Philippines to the <sup>3</sup>ATF, <sup>4</sup>RKC, <sup>5</sup>ATIGA and other relevant trade agreements.</p> <ul style="list-style-type: none"> <li>a) Section 1105 - Implementing Rules and Regulations</li> </ul> </li> </ul>	10/3/2016
CAO 2-2016	<b>Imported Goods with De Minimis Value not Subject to Duties and Taxes</b> Implements Section 423, Chapter 3, Title IV, and other relevant sections of RA 10863. <ul style="list-style-type: none"> <li>a) Section 423 - Determination of the <i>De Minimis</i> Value</li> </ul>	9/28/2016
CAO 1-2016	<b>Advance Cargo Declaration, Inward Foreign Manifest and Consolidated Cargo Manifest Rule</b>	1/22/2016

<sup>3</sup> ATF = Agreement on Trade Facilitation<sup>4</sup> RKC = Revised Kyoto Convention<sup>5</sup> ATIGA = ASEAN Trade in Goods Agreement



## ANGARA'S SONA 'WISHLIST': UNIVERSAL HEALTH CARE, PAY HIKE FOR TEACHERS, JOB CREATION



File photo of Senator Sonny Angara, chair of the Senate Committee on Ways and Means, taken on September 4, 2017.

(SENATE PRIB/Cesar Tomambo)

Senator Sonny Angara is hoping President Duterte will push in his State of the Nation Address the passage of the Universal Health Care bill, the promised salary increase for teachers, and the prioritization of job creation in the country.

According to Angara, the proposed Universal Health Care bill would provide every Filipino access to a comprehensive set of health services—from free check-ups, lab tests and medicines to free hospital treatment and end-of-life care—without having to experience financial hardship.

Angara strongly believes that giving higher pay to teachers could help improve the quality of education in the country's public school system, as this would attract more qualified and competent educators to teach in public schools.

Thus, he has filed Senate Bill 135 that seeks to upgrade the minimum salary grade level of public school teachers.

Earlier this year, President Duterte has promised to raise the salary of teachers after the basic salary of the military and the police have been doubled.

The senator stressed that the Build, Build, Build program of the government should be paired with a Jobs, Jobs, Jobs program that will provide competitive salaries so as to address not only the unemployment and underemployment issues, but also to attract overseas Filipino workers to return and work back home. (viewed on July 23, 2018)



\* Compiled and sorted by Dir. Clinton S. Martinez

Source: <https://www.facebook.com/notes/sonny-angara/angaras-sona-wislist-universal-health-care-pay-hike-for-teachers-job-creation/1828918543864353/>

# ENGAGEMENTS



Senate of the Philippines Tax Directors at work on the proposed Tax Amnesty law. This includes Senate Bill Nos. 293, 920, 942, and 1494 taking into consideration House Bill No. 4814.

In photo are: Dir. Ma. Lourdes Arbas, Director General Rodel T. Dascil, Dir. Norberto M. Villanueva, Dir. Maria Lucrecia R. Mir, Mr. Erdie Ambrocio (OS-Angara), Atty. Fatima Panontongan (COS-Angara), and Dir. Sherry Anne C. Salazar. (August 1, 2018)

## 4th Technical Working Group (TWG) Meeting on Estate Tax Amnesty and 3rd TWG Meeting on General Tax Amnesty.

In photos are : STSRO Director General Atty. Rodelio T. Dascil, Dir. Ma Lourdes M. Arbas, Dir. Norberto Villanueva, Dir. Maria Lucrecia R. Mir, Dir. Sherry Anne C. Salazar, Dir. Elvie P. Crudo, and Dir. Clinton S. Martinez (July 26, 2018)

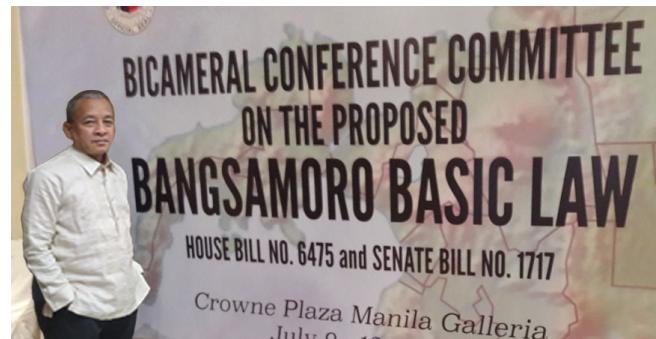


**Congratulations to Ms. April Napone!!** for having successfully completed her On-the-Job Training (OJT) at Senate Tax Study and Research Office (STSRO) from April 16, 2018 to July 12, 2018.

In Photos are: Atty. Rodelio T. Dascil, Director-General, Dir. Vivian A. Cabiling, Dir. Clinton S. Martinez, Ms. Julie Real and Ms. Xyza D. Temanel. (July 12, 2018)



**Dir. Clinton S. Martinez** attended the "**Effects of Train Exploratory Meeting**" at University of Science and Technology of Southern Philippines, (USTP) Cagayan De Oro City. (July 17 - 19, 2018)



**Congratulations to Ms. Xyza Del Carmen Temanel!!** for having successfully completed her On-the-Job Training (OJT) at Senate Tax Study and Research Office (STSRO) from June 13, 2018 to July 31, 2018.

In Photos are: Atty. Rodelio T. Dasic, Director-General, Ms. Xyza Del Carmen Temanel and, Dir. Clinton S. Martinez. (July 31, 2018)

**STSRO OFFICERS AND STAFF WHO PARTICIPATED IN THE 2018 SENATE MINI-OLYMPICS**  
 (June 21 - July 13, 2018)



**JOHANN F.A. GUEVARRA**  
 Lawn Tennis  
 Table Tennis



**JOAN KAREN DP. CORONEL**  
 Table Tennis



**CLINTON S. MARTINEZ**  
**ARIEL A. LAMBAN**

Basketball



**MARVEE ANNE C. FELIPE**  
 Badminton  
 Volleyball  
 Sack Race



**NORBERTO M. VILLANUEVA**  
 Billiard



**BONI JOSON**  
 Lawn Tennis  
 Table Tennis  
 Golf



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