

XXXIV. INTERNAL REVENUE ALLOTMENT

For apportionment of the share of local government units in the national internal revenue taxes in accordance with the purpose indicated hereunder.....P37,072,000,000

New Appropriations, by Purpose
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	<u>Total</u>
A. Purpose	
1. Internal Revenue Allotment	P37,072,000,000
Total New Appropriations, Internal Revenue Allotment	P37,072,000,000 =====

Special Provisions

1. **Allocation and Release of Fund.** The amount herein appropriated shall be apportioned among the local government units in accordance with the formula prescribed in Section 285 of R. A. No. 7160, The Local Government Code of 1991, subject to necessary adjustments as authorized under Section 284 of the Code. The Internal Revenue Allotment shall be released, without need of any further action, directly by the Department of Budget and Management to the Local Government Units concerned in accordance with Section 286 of said Code.

2. **Augmentation of Appropriation.** The amount herein appropriated may be augmented from the Miscellaneous Personnel Benefits Fund to cover the required share of the national government in the cost of retirement benefits of devolved national government personnel.

3. **Use of Funds.** The amount herein appropriated shall, pursuant to Section 17(g) of the Code, provide for the cost of basic services and facilities enumerated under Section 17(b) thereof, particularly those which have been devolved by the Department of Health, the Department of Social Welfare and Development, the Department of Agriculture, and the Department of Environment and Natural Resources as well as other agencies of the national government, including (1) construction/improvement, repair and maintenance of local roads; (2) concrete barangay roads/multi-purpose pavements construction and improvement program to be implemented in accordance with R.A. No. 6763; (3) construction, rehabilitation and improvement of communal irrigation projects/systems: PROVIDED, That each local government unit shall, in accordance with Section 287 of the Code, appropriate in its annual budget no less than twenty percent (20%) of its share from internal revenue allotment for development projects: PROVIDED, FURTHER, That enforcement of the provisions of Sections 325(a) and 331(b) of the Code shall be waived to enable local government units to absorb national government personnel transferred on account of devolution, create the mandatory positions specified in the Code, enable the barangay officials to receive the minimum allowable level of remuneration provided under Section 393 of the Code as well as continue the implementation of the salary standardization authorized under R.A. No. 6758.

4. **Other Financial Support.** The shares of Local Government Units (LGUs) from the utilization and development of the national wealth as provided in Sections 289 and 290 of R.A. No. 7160 and from excise taxes on locally-manufactured Virginia-type cigarettes as provided in Section 3 of R.A. No. 7171 are deemed automatically appropriated and shall be remitted in accordance with the respective provisions of the said Acts: PROVIDED, That the proceeds from the share of LGUs in the national wealth shall be appropriated by the respective sanggunian to finance local development and livelihood projects duly recommended by the respective development councils in coordination with the representative of the legislative district concerned: PROVIDED, FURTHER, That a substantial portion of the proceeds derived from the development and utilization of hydrothermal, geothermal and other sources of energy shall be applied to lower the cost of electricity in the LGU where such source of energy is located.

5. **Adjustment of Fund Releases.** In the event that a law is enacted deferring or excluding the devolution of certain national government functions and services to the local government units (LGUs) as mandated by the Local Government Code, the Department of Budget and Management is hereby authorized to withhold the corresponding costs of such functions and services from the subsequent releases of Internal Revenue Allotment to local government units. Such costs shall be determined by the Oversight Committee created under the Local Government Code.

GENERAL SUMMARY
INTERNAL REVENUE ALLOTMENT

	<u>Current Operating Expenditures</u>			
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. Internal Revenue Allotment				P37,072,000,000
Total New Appropriations, Internal Revenue Allotment				----- P37,072,000,000 =====