

XXXVII. ALLOCATIONS TO LOCAL GOVERNMENT UNITS

A. SPECIAL SHARES OF LOCAL GOVERNMENT UNITS IN THE PROCEEDS OF NATIONAL TAXES

For apportionment of the shares of local government units in the proceeds of other national taxes in accordance with the purposes as indicated hereunder..... P 7,972,068,000

New Appropriations, by Purpose

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Current_Operating_Expenditures

	Personal Services____	Maintenance and Other Operating Expenses____	Capital Outlays____	Total _____
A. PURPOSE(S)				
1. Share in Tobacco Excise Tax Pursuant to R.A. No. 7171	P	607,501,000		P 607,501,000
2. Share in the Utilization and Development of National Wealth under R.A. No. 7160		738,567,000		738,567,000
3. Share in the Gross Income Taxes paid by all Businesses and Enterprises within the ECOZONES pursuant to R.A. No. 7227		127,000,000		127,000,000
4. Share in Value Added Tax (R.A. No. 7643)		3,977,000,000		3,977,000,000
5. Share in Franchise Tax Pursuant to R.A. No. 7953 and R.A. No. 8407		10,000,000		10,000,000
6. Share in 2% Special Privilege Tax (Hydro-electric) pursuant to R.A. No. 7156		12,000,000		12,000,000
7. Prior Years' Obligation		2,500,000,000		2,500,000,000
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TOTAL NEW APPROPRIATIONS	P	7,972,068,000		P 7,972,068,000
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Special Provisions

1. Release and Use of Share in Tobacco Excise Tax. The amount appropriated for the share in tobacco excise tax shall be released to the Local Government Unit (LGU) concerned and used in accordance with the provisions of R.A. No. 7171 and Section 289 of R.A. No. 8424, as implemented by Memorandum Circular No. 61-A dated January 9, 1992, which states that the respective shares of the LGUs of a beneficiary province shall be distributed as follows:

- Thirty percent (30%) to the provincial government of the beneficiary province;
- Forty percent (40%) to the municipalities and cities to be further distributed as follows: (i) Fifty percent (50%) to be divided equally among all the municipalities and cities of the beneficiary provinces; and (ii) Fifty percent (50%) to be divided according to volume of their respective tobacco production; and
- Thirty percent (30%) to the municipalities and cities in the congressional districts of a beneficiary province in consultation with the representatives of the congressional districts of the province. The share of each congressional district shall be based on the volume of tobacco production within each district:

PROVIDED, That fifty percent (50%) of all the shares accruing to the LGUs shall be used for barangay economic development projects. The respective shares shall be directly released to the beneficiary cities, municipalities and provincial governments and for the congressional district, to the beneficiary cities, municipalities and provinces identified by the representative of the district concerned

subject to the submission of a certification of actual collection and remittance made by the BIR to the BTr and certification of volume of production made by the National Tobacco Administration as basis for allocation of shares.

2. Allocation, Release and Use of Share in National Wealth. Local governments shall have a share based on the preceding fiscal year from the proceeds derived by any national government agency in the utilization of national wealth.

The amount appropriated herein for the share in mining taxes, royalties from mineral reservation, forestry charges, and fees and revenues collected from energy development and conservation programs, including unremitted national wealth share of LGUs, shall be released directly by the DBM to the provincial, city, municipal or barangay treasurers, as the case may be.

The foregoing LGU share in the utilization and development of national wealth shall be allocated among entitled provinces, cities, municipalities, and barangays in accordance with the formula prescribed under Section 292 of the Code. For this purpose, the computation of the share of each LGU in the proceeds from the development and utilization of national wealth realized in CY 2007 shall be submitted by the revenue collecting agencies to the DBM not later than 15 March 2008.

Such proceeds from the utilization and development of national wealth shall be appropriated by the LGUs' respective sanggunian to finance local development and livelihood projects duly recommended by their respective development councils, in coordination with the representative of the legislative district concerned: PROVIDED, That at least eighty percent (80%) 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 LGUs where such source of energy is located, and any savings from such proceeds shall be utilized as additional livelihood support fund for the LGUs concerned.

3. Allocation and Release of LGU Share in the Gross Income Tax Paid by all Businesses and Enterprises within ECOZONES. The amount appropriated for the share of LGUs in the gross income tax paid by all businesses and enterprises located within ECOZONES shall be allocated among entitled LGUs in accordance with the pertinent provisions of R.A. No. 7227 using the formula prescribed by DILG-DBM-DOF Joint Circular No. 99-2 dated April 20, 1999: PROVIDED, That such amounts allocated shall be released by the DBM directly to the LGUs concerned, subject to the submission of a certification of actual collection and remittance made by the BIR to the BTr: PROVIDED, FURTHER, That in the case of taxes collected from businesses and enterprises within the Subic Special Economic Zone, the release from the one percent (1%) Development Fund shall be made directly to the eligible LGUs identified by the DILG, and shall be used for projects recommended by the Subic Bay Metropolitan Authority.

4. Allocation and Release of LGU Share in the Incremental Collection from Value-Added Tax (VAT). The amount appropriated for the share of LGUs in VAT pursuant to R.A. No. 7643, as amended by R.A. No. 8424, shall be allocated among LGUs entitled to such share in accordance with the provision of Section 150 of the Code, as implemented by DBM-DOF-DILG Joint Circular No. 1-02 dated February 6, 2002: PROVIDED, That the said amount shall be released directly to the LGUs concerned, subject to submission of a certification of actual collection and remittance made by the BIR to the BTr.

5. Allocation and Release of LGU Share in the Franchise Tax. The amount appropriated for the five percent (5%) share of the cities and municipalities in the Franchise Tax pursuant to R.A. No. 6631, as amended, and R.A. No. 6632, as amended, shall be released directly to the LGUs concerned, subject to the submission of a certification of actual collection and remittance made by the BIR to the BTr. Release shall be in accordance with the rules and regulations to be jointly issued by the DOF and DBM.

6. Allocation and Release of LGU Share in the Special Privilege Tax from Mini-Hydroelectric Power. The amount appropriated for the two percent (2%) share of LGUs in the Special Privilege Tax on Mini-Hydroelectric Power Developers pursuant to R.A. No. 7156, or the Mini-Hydroelectric Power Incentives Act, shall be released to the LGUs concerned, subject to the submission of a certification of actual collection and remittance by the BIR to the BTr. Release shall be in accordance with rules and regulations to be jointly issued by DOF, DOE and DBM.

7. Prior Years' Obligation. The amount of Two Billion Five Hundred Million Pesos (P2,500,000,000) shall constitute the second installment of the national government obligation under the Supreme Court decision in Alternative Center for Organization Reforms and Development, Inc. vs. Zamora, G.R. No. 144256 dated June 8, 2005 spread over a period of seven (7) years. Remittance to local governments shall take into consideration any contractual agreement entered into by them upon exercise of their option to avail of the IRA Monetization Program as prescribed under E.O. No. 494, s. 2006.