

D. SPECIAL SHARES OF LGUS 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.....P35,917,970,000
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New Appropriations, by Purpose
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Current Operating Expenditures

	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
TOTAL NEW APPROPRIATIONS		P35,917,970,000		P35,917,970,000
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Special Provision(s)

1. **Direct Release of LGU Shares.** The IRA and all the current year's LGU shares appropriated herein shall be released directly by the BTr to the LGU beneficiaries only through authorized government servicing banks.

The Local Chief Executive and the LGU's web administrator or his/her equivalent shall be responsible for ensuring that reports on the utilization of funds are posted on the LGU website, at least on a quarterly basis.

2. **Internal Revenue Allotment of LGUs.** In addition to the LGU shares appropriated herein, Four Hundred Twenty Eight Billion Six Hundred Nineteen Million Five Hundred Eighteen Thousand Pesos (P428,619,518,000) is automatically appropriated for the LGU share in the national internal revenue taxes in accordance with Section 4 of R.A. No. 9358 and shall be allocated pursuant to Section 285 of R.A. No. 7160 and Section 93 of the General Provisions of this Act.

3. **Shares in National Wealth.** The amount of Five Billion Two Hundred Ninety Three Million Five Hundred Seventy Two Thousand Pesos (P5,293,572,000) appropriated herein for the LGU share in mining taxes, royalties from mineral reservations, forestry charges, and fees and revenues collected from energy resources in the utilization and development of national wealth shall be used in accordance with Section 294 of R.A. No. 7160, subject to the following:

a) Allocation of shares shall be made pursuant to Section 292 of R.A. No. 7160; and

b) Release of shares shall be based on the certification of actual collections by the revenue collecting agencies concerned and remittance to the BTr.

4. **Shares in Excise Taxes from Locally Manufactured Virginia-Type Cigarettes.** The amount of Eleven Billion One Hundred Forty Nine Million Two Hundred Forty Six Thousand Pesos (P11,149,246,000) appropriated herein for the LGU share in excise taxes from locally manufactured Virginia-type cigarettes shall be used in accordance with Section 2 of R.A. No. 7171, subject to the following:

a) Certification of acceptance by the NTA on the volume of production, endorsed by the DA;

b) Allocation of shares shall be made pursuant to Section 289 of R.A. No. 8424, and the distribution of shares shall be as follows: (i) Thirty percent (30%) to the province based on volume of tobacco production; (ii) Fifty percent (50%) to the cities and municipalities based on volume of tobacco production; and (iii) Twenty percent (20%) divided equally among the cities and municipalities of the beneficiary province; and

c) Fifty percent (50%) of LGU shares shall be used for barangay economic development projects.

Release of shares shall be based on the certification of actual collections by the BIR and remittance to the BTr.

5. **Shares in Excise Taxes from Burley and Native Tobacco Products.** The amount of Two Billion Twenty One Million Nine Hundred Twenty Eight Thousand Pesos (P2,021,928,000) appropriated herein for the LGU share in excise taxes from burley and native tobacco products shall be used in accordance with Section 8 of R.A. No. 10351, subject to the following:

a) Certification of acceptance by the NTA on the volume of production, endorsed by the DA;

b) Allocation of shares shall be in accordance with R.A. No. 8240 as amended by R.A. No. 10351 and shall be based on the volume of production, and the distribution of shares shall be as follows: (i) Ten percent (10%) to the province; and (ii) ninety percent (90%) to the cities and municipalities of the beneficiary province; and

c) Release of shares shall be based on the certification of actual collections by the BIR and remittance to the BTr.

6. **Shares in Incremental Collections from Value-Added Tax.** The amount of Fifteen Billion Five Hundred Fifty Seven Million Eight Hundred Ninety Four Thousand Pesos (P15,557,894,000) appropriated herein for the LGU share in incremental collections from value-added tax (VAT) authorized under R.A. Nos. 7643 and 8424 shall be allocated in accordance with Section 150 of R.A. No. 7160, as implemented by DBM-DOF-DILG Joint Circular No. 1-02 dated February 6, 2002.

Release of said shares shall be based on the certification of actual collections by the BIR and remittance to the BTr.

7. **Shares from Value-Added Tax in lieu of Franchise Tax.** The amount of Five Million Pesos (P5,000,000) appropriated herein for the LGU share from VAT in lieu of franchise tax authorized under R.A. Nos. 6631 and 6632 shall be allocated in accordance with DBM-DOF Joint Circular No. 2008-1 dated June 16, 2008.

Release of said shares shall be based on the certification of actual collections by the BIR and remittance to the BTr.

8. **Shares in Gross Income Tax Paid by all Businesses and Enterprises Within the Economic Zones.** The amount of Forty One Million Four Hundred Seventy Thousand Pesos (P41,470,000) appropriated herein for the LGU share in the gross income tax paid by all businesses and enterprises located within the economic zones shall be allocated in accordance with the provisions of R.A. No. 7922.

Release of said shares shall be based on the certification of actual collections by the BIR and actual remittance to the BTr.

9. **Shares in Special Privilege Tax.** The amount of Forty One Million Pesos (P41,000,000) appropriated herein for the LGU share in the two percent (2%) Special Privilege Tax on Mini-Hydroelectric Power Developers in accordance with R.A. No. 7156 shall be based on the actual collections by the BIR and actual remittance to the BTr.

Release of said shares shall be based on the certification of actual collections by the BIR and actual remittance to the BTr.

10. Tobacco Monetization Program. The amount of One Billion Eight Hundred Seven Million Eight Hundred Sixty Thousand Pesos (P1,807,860,000) appropriated herein for the Tobacco Monetization Program, which was spread over a period of seven (7) years, ending this year:

(a) Eight Hundred Ninety Seven Million Seven Hundred Fifty Seven Thousand Pesos (P897,757,000) shall cover the last installment of the unreleased LGU shares in excise taxes from locally manufactured Virginia-type cigarettes for CYs 2002-2009 in accordance with R.A. No. 7171 and BIR Revenue Regulation No. 12-2008 dated September 23, 2008; and

(b) Nine Hundred Ten Million One Hundred Three Thousand Pesos (P910,103,000) shall cover the last installment of the unreleased LGU shares in excise taxes from Burley and native tobacco products for CYs 1997-2007 in accordance with R.A. No. 8240 and BIR Revenue Regulation No. 15-2008 dated November 21, 2008.

The release of LGU shares shall take into consideration any contractual agreement on the exercise of their option to avail of the monetization program under E.O. Nos. 843 and 846, s. 2009.

11. Prior Years' LGU Shares. The amount of Ten Billion Sixty Nine Million Twenty Nine Thousand Pesos (P10,069,029,000) appropriated herein for prior years' LGU shares from energy resources and incremental collections from VAT shall be maintained by the BTr in an escrow account to be held in trust for said purposes and automatically released to the LGU beneficiaries only through authorized government servicing banks upon certification of actual collections by the revenue collecting agency and actual remittance to the BTr.

The Local Chief Executive and the LGU's web administrator or his/her equivalent shall be responsible for ensuring that reports on the utilization of funds are posted on the LGU website, at least on a quarterly basis.

New Appropriations, by Purpose

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PROGRAMS	Purpose(s)	Current Operating Expenditures			
		Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
	1. Special Shares of LGUs in the Proceeds of National Taxes		P35,917,970,000		P35,917,970,000
	2. Share in Tobacco Excise Tax Pursuant to R.A. 7171 (Virginia Tobacco)		11,149,246,000		11,149,246,000
	3. Share in Tobacco Excise Tax Pursuant to R.A. 10351 (Burley and Native Tobacco), including P169,605,000 for prior years share of entitled cities and municipalities		2,021,928,000		2,021,928,000
	4. Share in the Utilization and Development of National Wealth under R.A. 7160 and R.A. 9513		5,293,572,000		5,293,572,000
	5. Share in the Gross Income Taxes paid by all Businesses and Enterprises within the ECOZONES pursuant to R.A. 7922		41,470,000		41,470,000
	6. Share in Value Added Tax pursuant to R.A. 7643		15,557,894,000		15,557,894,000
	7. Share in Value Added Tax in lieu of Franchise Tax pursuant to R.A. 7953 and R.A. 8407		5,000,000		5,000,000
	8. Prior Years' Obligation		1,807,860,000		1,807,860,000

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9. Share in the 2% Special Privilege Tax pursuant to R.A. 7156	41,000,000	41,000,000
Sub-total, Purpose(s)	35,917,970,000	35,917,970,000
TOTAL NEW APPROPRIATIONS	P35,917,970,000	P35,917,970,000
New Appropriations, by Object of Expenditures =====		
(In Thousand Pesos)		
Current Operating Expenditures		
Maintenance and Other Operating Expenses		
Financial Assistance/Subsidy		35,917,970
Total Maintenance and Other Operating Expenses		35,917,970
TOTAL NEW APPROPRIATIONS		35,917,970