

B. 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.....P27,324,009,000
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New Appropriations, by Program
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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		P27,324,009,000		P27,324,009,000
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Special Provision(s)

1. **Internal Revenue Allotment of Local Government Units.** In addition to the LGU shares appropriated herein, Five Billion Five Hundred Twenty Million Five Hundred Eighty Thousand Pesos (P575,520,580,000) 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 the General Provisions of this Act.

2. **Shares in National Wealth.** The amount of Three Billion One Hundred Sixty One Million Three Hundred Thirty Seven Thousand Pesos (P3,161,337,000) 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 subject to the following:

(a) Use - in accordance with Section 294 of R.A. No. 7160;

(b) Allocation - pursuant to Section 292 of R.A. No. 7160; and

(c) Release - upon certification of actual collections by the revenue collecting agencies concerned and remittance to the BTr.

3. **Shares in Excise Taxes from Locally Manufactured Virginia-type Cigarettes.** The amount of Fourteen Billion Four Hundred One Million Seven Hundred Eighty Two Thousand Pesos (P14,401,782,000) appropriated herein for the LGU share in excise taxes from locally manufactured Virginia-type cigarettes shall be subject to the following:

(a) Use - Fifty percent (50%) of all shares accruing to the Local Government Units are used for barangay economic development projects duly approved by the Local Development Council concerned;

(b) Allocation - the respective shares of the LGUs of a beneficiary province shall be distributed as follows:

(i) Thirty percent (30%) to the provincial government of the beneficiary province;

(ii) Forty percent (40%) to the municipalities and cities to be further distributed as follows: (a) fifty percent (50%) to be divided equally among all the municipalities and cities of the beneficiary province, and (b) fifty percent (50%) to be divided according to volume of their respective tobacco production; and

(iii) Thirty percent (30%) to the municipalities and cities in the congressional districts of a beneficiary province. The share of each congressional district shall be based on the volume of tobacco production within each district and ~~shall be implemented by DA, DPWH, DTI and/or other concerned agencies. The funds for implementation shall be downloaded to the concerned national agencies earmarked and devoted solely for the objectives stated under R.A. No. 7171 and used exclusively for the benefit of the municipalities and cities in the congressional districts of a beneficiary province in accordance with Section 289 of the National Internal Revenue Code; and~~

(c) Release - upon certification of actual collections by the BIR and remittance to the BTr.

(DIRECT VETO - President's Veto Message, April 15, 2019, Volume I-B, page 957, R.A. No. 11260)

4. **Shares in Excise Taxes from Burley and Native Tobacco Products.** The amount of Three Billion Six Hundred Seven Million Four Hundred Sixteen Thousand Pesos (P3,607,416,000) appropriated herein for the LGU share in excise taxes from Burley and Native Tobacco Products shall be subject to the following:

(a) Use - in accordance with Section 8 of R.A. No. 10351;

(b) Allocation - the respective shares of the LGUs of a beneficiary province shall be distributed as follows:

(i) Ten percent (10%) to the provincial government of the beneficiary province;

(ii) Ten percent (10%) to the component cities and municipalities of the beneficiary province, to be computed based on the volume of tobacco production of tobacco-producing cities and municipalities; and

(iii) Eighty percent (80%) to the component cities and municipalities in the congressional districts of a beneficiary province. The share of each congressional district shall be based on the volume of tobacco production within each district and ~~shall be implemented by DA, DPWH, DTI and/or other concerned agencies. The funds for implementation shall be downloaded to the concerned national agencies earmarked and devoted solely for the objectives stated under R.A. No. 8240, as amended by R.A. No. 10351, and used exclusively for the benefit of cities and municipalities in the congressional districts of a beneficiary province; and~~

(c) Release - upon certification of actual collections by the BIR and remittance to the BTr.

(DIRECT VETO - President's Veto Message, April 15, 2019, Volume I-B, page 957, R.A. No. 11260)

5. **Shares in Incremental Collections from Value-Added Tax.** The amount of Six Billion Eighty Seven Million Two Hundred Seven Thousand Pesos (P6,087,207,000) appropriated herein for the LGU share in incremental collections from value-added tax (VAT) authorized under R.A. Nos. 7643 and 8424 shall be subject to the following:

(a) Allocation - in accordance with Section 150 of R.A. No. 7160, as implemented by DBM-DOF-DILG J.C. No. 1-02 dated February 6, 2002; and

(b) Release - upon certification of actual collections by the BIR and remittance to the BTr.

6. **Shares from Value-Added Tax in lieu of Franchise Tax.** The amount of One Million Nine Hundred Two Thousand Pesos (P1,902,000) appropriated herein for the LGU share from VAT in lieu of franchise tax authorized under R.A. Nos. 6631 and 6632, as amended, respectively, shall be subject to the following:

(a) Allocation - in accordance with DBM-DOF J.C. No. 2008-1 dated June 16, 2008; and

(b) Release - upon certification of actual collections by the BIR and actual remittance to the BTr.

7. **Shares in Gross Income Tax Paid by all Businesses and Enterprises within the Economic Zones.** The amount of Forty Nine Million Seven Hundred Forty Two Thousand Pesos (P49,742,000) appropriated herein for the LGU share in the gross income tax paid by all businesses and enterprises located within the economic zones shall be subject to the following:

(a) Allocation - in accordance with the provisions of R.A. No. 7922; and

(b) Release - upon certification of actual collections by the BIR and actual remittance to the BTr.

8. **Shares in Special Privilege Tax.** The amount of Fourteen Million Six Hundred Twenty Three Thousand Pesos (P14,623,000) appropriated herein for the LGU share in the two percent (2%) Special Privilege Tax on Mini-Hydroelectric Power Developers shall be

subject to the following:

(a) Allocation - in accordance with R.A. No. 7156 based on the actual collections by the BIR and actual remittance to the BTr; and

(b) Release - upon certification of actual collections by the BIR and actual remittance to the BTr.

9. Direct Release of all Local Government Unit Shares. The IRA, and all LGU shares appropriated herein, shall be released directly by the BTr to the beneficiary LGUs through authorized government servicing banks.

The LGU shall submit quarterly reports on the utilization of the LGU shares, through the following:

(a) Local Government Units Reporting System (LGURS) or other electronic means for reports not covered by the LGURS; and

(b) LGU's website.

The LGU shall send written notice when said reports have been submitted or posted on its website to the DBM, House of Representatives, Senate of the Philippines, House Committee on Appropriations, Senate Committee on Finance, and other offices where the submission of reports is required under existing laws, rules and regulations. The date of notice to said agencies shall be considered the date of compliance with this requirement.

New Appropriations, by Programs/Activities/Projects

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
PROGRAMS				
Allocation to Local Government Units				
Special Shares of LGUs in the Proceeds of National Taxes		P27,324,009,000		P27,324,009,000
Share in Tobacco Excise Tax Pursuant to R.A. No. 7171 (Virginia Tobacco)		14,401,782,000		14,401,782,000
Share in Tobacco Excise Tax Pursuant to R.A. No. 8240, as amended by R.A. No. 10351 (Burley and Native Tobacco)		3,607,416,000		3,607,416,000
Share in the Utilization and Development of National Wealth under R.A. Nos. 7160 and 9513		3,161,337,000		3,161,337,000
Share in the Gross Income Taxes paid by all Businesses and Enterprises within the ECOZONES pursuant to R.A. No. 7922		49,742,000		49,742,000
Share in Incremental Collections from Value Added Tax pursuant to R.A. Nos. 7643 and 8424		6,087,207,000		6,087,207,000
Share in Value Added Tax in lieu of Franchise Tax pursuant to R.A. No. 6632, as amended by R.A. No. 7953 and R.A. No. 6331, as amended by R.A. No. 8407		1,902,000		1,902,000
Share in the 2% Special Privilege Tax pursuant to R.A. No. 7156		14,623,000		14,623,000
TOTAL NEW APPROPRIATIONS		P27,324,009,000		P27,324,009,000

GENERAL APPROPRIATIONS ACT, FY 2019

New Appropriations, by Object of Expenditures

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(In Thousand Pesos)**Current Operating Expenditures****Maintenance and Other Operating Expenses****Financial Assistance/Subsidy****27,324,009****Total Maintenance and Other Operating Expenses****27,324,009****TOTAL NEW APPROPRIATIONS****27,324,009**