



DEPARTMENT OF FINANCE



DEPARTMENT OF BUDGET AND MANAGEMENT



**DEPARTMENT OF FINANCE  
DEPARTMENT OF BUDGET AND MANAGEMENT**

**JOINT CIRCULAR NO. 1**

April 30, 2014

**FOR:** THE CHIEF JUSTICE AND THE JUDICIARY; THE SENATE PRESIDENT; THE SPEAKER OF THE HOUSE; THE CHAIRMAN OF CONSTITUTIONAL COMMISSIONS; ALL HEADS OF DEPARTMENTS, BUREAUS, OFFICES AND OTHER COMMISSIONS; HEADS OF ALL OTHER NATIONAL GOVERNMENT AGENCIES, INCLUDING THEIR REGIONAL OFFICES; HEADS OF STATE UNIVERSITIES AND COLLEGES, SCHOOLS, HOSPITALS AND SANITARIA; HEADS OF GOVERNMENT OWNED AND/OR CONTROLLED CORPORATIONS INCLUDING GOVERNMENT FINANCIAL INSTITUTIONS; AND ALL OTHERS CONCERNED

**SUBJECT:** RULES, GUIDELINES AND PROCEDURES IN IMPLEMENTING THE TAX EXPENDITURE SUBSIDY SECTION UNDER THE GENERAL PROVISIONS OF THE ANNUAL GENERAL APPROPRIATIONS ACT

**1. PURPOSE**

This Circular is issued to prescribe the rules, guidelines and procedures relative to the implementation of the tax expenditure subsidy Section under the General Provisions of the annual General Appropriations Act (GAA), specifically Section 15 of Republic Act No. 10633 or the 2014 GAA, quoted as follows:

“SEC. 15. National Internal Revenue Taxes and Import Duties. The amounts pertaining to the following taxes and duties shall be considered as both revenue and expenditure of the government, and are deemed automatically appropriated:

(a) National internal revenue taxes and import duties payable or assumed by departments, bureaus and offices of the National Government, including Constitutional Offices enjoying fiscal autonomy and State Universities and Colleges to the Government arising from foreign donations, grants and loans;

