



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
MALACAÑANG, MANILA

LOCAL BUDGET MEMORANDUM

No. 68
July 1, 2014

TO : The Provincial Governors, City and Municipal Mayors, Barangay Chairmen, Members of Local Sangguniang Panlungsod/Bayan/Lalawigan and Local Finance Committees, Local Budget Officers, Treasurers and All Others Concerned

SUBJECT : **FY 2015 INTERNAL REVENUE ALLOTMENT (IRA) LEVEL AND OTHER LOCAL BUDGET PREPARATION MATTERS**

1.0 PURPOSE

- 1.1 To inform local government units (LGUs) of their IRA level for FY 2015 based on the certification of the Bureau of the Internal Revenue (BIR) on the computation of the share of LGUs from the actual collection of national internal revenue taxes in FY 2012;
- 1.2 To prescribe the guidelines in the preparation of the FY 2015 local budgets; and
- 1.3 To provide significant updates/developments on the Grassroots Participatory Budgeting Process (GPB) as far as the LGUs are concerned.

2.0 GENERAL GUIDELINES

- 2.1 Allocation of the FY 2015 IRA
 - 2.1.1 In the computation of the IRA allocation of LGUs, the following are taken into consideration:
 - 2.1.1.1 The FY 2010 NSO Census of Population per Proclamation Order No. 362 dated March 30, 2012.
 - 2.1.1.2 Continued adoption of the FY 2001 Masterlist of Land Area submitted by the Department of Environment and Natural Resources – Land

Management Bureau pursuant to Oversight Committee on Devolution Resolution No. 1, s. 2005 dated September 12, 2005.

2.1.2 Pursuant to Section 84 of the General Provisions of Republic Act (RA) No. 10633, the FY 2014 General Appropriations Act, it is understood that the FY 2015 IRA level prescribed herein shall be adjusted accordingly should there be any valid adjustments, changes, modifications or alterations in any of the factors affecting the computation of the IRA that occurred or happened, including final and executory court decisions rendered, during the current fiscal year (FY 2014).

2.2 Preparation of FY 2015 Local Budgets

2.2.1 For the purpose of preparing the FY 2015 local budgets, the IRA shares of LGUs shall be P389.860 Billion per the certification of the Bureau of Internal Revenue based on the actual national internal revenue taxes collected in FY 2012. The FY 2015 IRA level is P48.315 Billion or 14.15% higher than the FY 2014 IRA level.

2.2.2 Pursuant to Section 284 of RA No. 7160, the Local Government Code (LGC) of 1991, summarized below is the breakdown of the total share by level of LGU of the FY 2015 IRA of P389,860,429,000:

Level of LGU	No. of LGUs	Share Equivalent to the Cost of Devolved Functions/City-Funded Hospitals, as of 31 December 1992	Share Determined on the Basis of Section 285 of RA No. 7160	Total IRA Shares
Provinces	81	P 88,178,326,872	P 2,845,490,826	P 91,023,817,698
Cities	144	88,178,326,872	1,028,782,874	89,207,109,746
Municipalities	1,478	130,350,570,160	2,602,125,420	132,952,695,580
Barangays	41,889	76,676,805,976	-	76,676,805,976
TOTAL	43,592	P 383,384,029,880	P 6,476,399,120	P 389,860,429,000

Details by region and level of LGU are reflected in the attached **Annex A**.

2.2.3 The LGUs shall be notified of their IRA allocation by the Department of Budget and Management (DBM) Regional Offices (ROs) concerned.

