

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

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		P16,602,482,000		P16,602,482,000

New Appropriations, by Central/Regional Allocation

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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>
Regional Allocation		P16,602,482,000		P16,602,482,000

Nationwide	16,602,482,000	16,602,482,000
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TOTAL NEW APPROPRIATIONS	P16,602,482,000	P16,602,482,000
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Special Provision(s)

1. Internal Revenue Allotment of LGUs. In addition to the LGU shares appropriated herein, Three Hundred Forty One Billion Five Hundred Forty Four Million Seven Hundred Twenty Six Thousand Pesos (P341,544,726,000) is automatically appropriated for the LGU share in the national internal revenue taxes pursuant to R.A. No. 9358 and shall be allocated in accordance with Section 285 of R.A. No. 7160 and Section 84 of the General Provisions of this Act.

2. Use, Allocation and Release of LGU Share in National Wealth. The amount of Two Billion Four Hundred Thirty Seven Million Four Hundred Seventy Seven Thousand Pesos (P2,437,477,000) 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: PROVIDED, That said shares shall be allocated among the LGU beneficiaries pursuant to Section 292 of R.A. No. 7160: PROVIDED, FURTHER, That the foregoing share from estimated collections in CY 2013, as reflected in FY 2014 BESF, as well as those in prior years shall be released to the LGU beneficiaries, subject to the submission of a joint or reconciled certification/s of actual collection by the revenue collecting agencies and remittance to the BTr.

3. Use, Allocation and Release of LGU Share in Excise Taxes from Locally Manufactured Virginia-Type Cigarettes. The amount of Four Billion Eight Hundred Seven Million Five Hundred Ninety Three Thousand Pesos (P4,807,593,000) 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 and Section 289 of R.A. No. 8424: PROVIDED, That fifty percent (50%) of said LGU shares shall be used for barangay economic development projects: PROVIDED, FURTHER, That said shares shall be allocated pursuant to M.C. No. 61-A dated November 28, 1993, as follows:

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

(b) 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 the volume of their respective tobacco production and acceptances; and

(c) Thirty percent (30%) to the identified 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.

PROVIDED, FURTHERMORE, That the release of the LGU share from collections realized in CY 2012, as reflected in the FY 2014 BESF, shall be subject to the submission of: (i) documentary requirements that may be prescribed in the guidelines to be issued by the DBM; (ii) joint or reconciled certification/s of actual collections by the BIR and remittance to the BTr; and (iii) certification of volume of production and acceptances made by the National Tobacco Administration as basis for distribution of shares. (CONDITIONAL IMPLEMENTATION - President's Veto Message, December 20, 2013, page 1108, R.A. No. 10633)

4. Use, Allocation and Release of LGU Share in Excise Taxes from Burley and Native Tobacco Products. The amount of Eight Hundred Thirty Two Million Four Hundred Two Thousand Pesos (P832,402,000) 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. 8240: PROVIDED, That said shares shall be allocated and distributed pursuant to the guidelines to be jointly issued by the DBM, DOF and BIR: PROVIDED, FURTHER, That the release of the LGU share from collections realized in CY 2012, as reflected in the FY 2014 BESF, shall be subject to the submission of: (i) documentary requirements that may be prescribed in the guidelines to be issued by the DBM; (ii) joint or reconciled certification/s of actual collections by the BIR and remittance to the BTr; and (iii) certification of volume of production and acceptances made by the NTA as basis for distribution of shares.

5. Allocation and Release of LGU Share in Incremental Collection from Value-Added Tax. The amount of Four Billion Eight Hundred Seventy Three Million Four Hundred Sixty Seven Thousand Pesos (P4,873,467,000) appropriated herein for the LGU share in incremental collection from value-added tax (VAT) authorized under R.A. No. 7643, as amended and R.A. No. 8424, as amended shall be allocated to the LGU beneficiaries pursuant to Section 150 of R.A. No. 7160, as implemented by DBM-DOF-DILG Joint Circular No. 1-02 dated February 6, 2002: PROVIDED, That the foregoing share from estimated collections in CY 2013, as reflected in FY 2014 BESF, as well as those in prior years shall be released to the LGU beneficiaries subject to the submission of a joint or reconciled certification/s of actual collections by the BIR and remittance to the BTr.

6. Allocation and Release of LGU Share from Value-Added Tax in lieu of Franchise Tax. The amount of Fifteen Million Fifty Eight Thousand Pesos (P15,058,000) appropriated herein for the LGU share from VAT in lieu of franchise tax authorized under R.A. No. 6631, as amended by R.A. No. 8407, and R.A. No. 6632, as amended by R.A. No. 7953 shall be allocated to the LGU beneficiaries pursuant to DBM-DOF Joint Circular No. 2008-1 dated June 16, 2008: PROVIDED, That the foregoing share from estimated collections in CY 2012, as reflected in FY 2014 BESF shall be released to the LGU beneficiaries, subject to the submission of a joint or reconciled certification/s of actual collections by the BIR and remittance to the BTr.

7. Allocation and Release of LGU Share in Gross Income Tax Paid by all Businesses and Enterprises Within the Economic Zones. The

amount of Thirty One Million Nine Hundred Twenty One Thousand Pesos (P31,921,000) 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 to the LGU beneficiaries pursuant to the provisions of R.A. No. 7922, subject to guidelines to be jointly issued by DBM and DOF: PROVIDED, That the foregoing share from collections realized in CY 2012, as reflected in FY 2014 BESF, as well as those in prior years shall be released to the LGU beneficiaries, subject to the submission of a joint or reconciled certification/s of actual collections by the BIR and remittance to the BTr.

8. Internal Revenue Allotment Monetization Program. The IRA Monetization Program shall be spread over a period of seven (7) years. For this year, the amount of One Billion Seven Hundred Ninety Six Million Seven Hundred Six Thousand Pesos (P1,796,706,000) appropriated herein shall represent the sixth installment of the IRA difference due to the reenactment of the General Appropriations Act for FYs 2001 and 2004, which will end in the year 2015: PROVIDED, That remittance to LGUs 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. 723, s. 2008.

9. Tobacco Monetization Program. The Tobacco Monetization Program shall be spread over a period of seven (7) years. For this year, the amount of One Billion Eight Hundred Seven Million Eight Hundred Fifty Eight Thousand Pesos (P1,807,858,000) appropriated herein shall cover the following:

(a) Eight Hundred Ninety Seven Million Seven Hundred Fifty Seven Thousand Pesos (P897,757,000) shall constitute the fifth installment of the unreleased LGU shares in excise taxes from locally manufactured Virginia-type cigarettes for CYs 2002-2009 pursuant to R.A. No. 7171 and BIR Revenue Regulation No. 12-2008 dated September 23, 2008, which will end in the year 2016; and

(b) Nine Hundred Ten Million One Hundred One Thousand Pesos (P910,101,000) shall represent the fifth installment of the unreleased LGU shares in excise taxes from Burley and native tobacco products for CYs 1997-2007 pursuant to R.A. No. 8240 and BIR Revenue Regulation No. 15-2008 dated November 21, 2008, which will end in the year 2016.

PROVIDED, That remittance to LGUs shall take into consideration any contractual agreement entered into by them upon exercise of their option to avail of the monetization program for the locally manufactured Virginia-type cigarettes and Burley and native tobacco products, as prescribed under E.O. No. 846, s. 2009 and E.O. No. 843, s. 2009, respectively.

10. Release of LGU Shares in the Proceeds of National Taxes. The amounts appropriated herein shall be released by the DBM directly to the LGU beneficiaries.