

Republic of the Philippines
Bangsamoro Autonomous Region in Muslim Mindanao
BANGSAMORO TRANSITION AUTHORITY 2
Cotabato City

Bangsamoro Autonomous Region in Muslim Mindanao
Parliament

BILLS AND INDEX DIVISION

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Second Regular Session

BTA PARLIAMENT
BTA Resolution No. 396

Introduced by:

MP ENGR. BAIN TAN ADIL-AMPATUAN, MNSA

Co-Authored by:

MP Atty. Laisa M. Alamia, MP Amilbahar S. Mawallil, MP Atty. Suharto M. Ambolodto, MP Engr. Don Mustapha A. Loong, MP Atty. Rasol Y. Mitmug, Jr., MP Rasul E. Ismael, MP Tawakal B. Midtimbang, MP Jaafar Apollo Mikhail L. Matalam, MP Michael E. Midtimbang, and MP Bassir. D. Utto

RESOLUTION

REQUESTING THE BUREAU OF LOCAL GOVERNMENT FINANCE (BLGF) REGIONAL OFFICE XII TO FURNISH THE BANGSAMORO TRANSITION AUTHORITY (BTA) PARLIAMENT OF AN UPDATED REPORT ON INCOME CLASSIFICATION AND SOURCES OF REVENUES OF THE LOCAL GOVERNMENT UNITS (LGUs) IN THE BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO (BARMM)

WHEREAS, Section 25, Article II of the 1987 Philippine Constitution states that the State shall ensure the autonomy of local governments;

WHEREAS, Section 5, Article X of the Constitution provides that each local government unit shall have the power to create its own sources of revenues and to levy taxes, fees and charges subject to such guidelines and limitations as the Congress may provide, consistent with the basic policy of local autonomy;

WHEREAS, Section 10, Article VI of Republic Act No. 11054, or the Bangsamoro Organic Law (BOL), provides that the authority of the Bangsamoro Government to regulate the affairs of its constituent local government units shall be guaranteed in accordance with this Organic Law and Bangsamoro Local Government Code to be enacted by the Parliament;

WHEREAS, pursuant to Section 129, Chapter I, Title I, Book II of R.A. 7160, or the Local Government Code of 1991, each local government unit shall exercise its power to create its own sources of revenue and to levy taxes, fees, and charges subject to the provisions herein, consistent with the basic policy of local autonomy;

WHEREAS, Section 3, Article XII of the BOL confirms the creation of a Bangsamoro Regional Office of the Bureau of Local Government Finance (BLGF) under the Department of Finance (DOF) which shall have the authority to coordinate, assist, and monitor the treasury and assessment operations of constituent local government units within the Bangsamoro Autonomous Region in pursuance of good governance and local autonomy;

WHEREAS, the most recent legislation providing for the income classification of local government units (LGUs) is the Executive Order (EO) No. 249, which was issued on July 25, 1987;

WHEREAS, the EO No. 249 states that the income classification of provinces, cities, and municipalities serves, among other purposes, as basis for fixing the maximum tax ceilings imposable by the local governments for determining administrative and statutory aids, financial grants and other forms of assistance to local governments, and for the implementation of salary laws and administrative issuances on allowances and emoluments that local government officials and personnel may be entitled to¹;

WHEREAS, subsequent LGU income reclassifications have been carried out through the promulgation of DOF Orders, the most recent of which is DOF Order No. 23-08, which was issued on July 29, 2008²;

WHEREAS, the income classification of provinces, cities, and municipalities serves, among other purposes, as basis for the determination of the financial capability of LGUs to provide in full or in part the funding requirements of developmental projects and other priority needs in their locality³;

WHEREAS, by virtue of Section 43 (b) of EO No. 127, as signed on January 30, 1987, the BLGF is mandated to exercise administrative and technical supervision and coordination over the treasury and assessment operations of local governments⁴;

WHEREAS, Section 43 (a) of EO No. 127 further mandates the BLGF to assist in the formulation and implementation of policies on local government revenue administration and fund management;

WHEREAS, in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), the Ministry of the Interior and Local Government (MILG) is mandated to assist the Chief Minister in the regulation of its constituent local governments to ensure that their affairs are within the scope of their powers and functions⁵;

¹ Executive Order No. 249, s. 1987.

² Extracted from Explanatory Note of Senate Bill No. 251, 18th Congress

³ DOF Order No. 23-08, July 29, 2008

⁴ Executive Order No. 127, s. 1987.

⁵ <https://milg.bangsamoro.gov.ph/about>

WHEREAS, the powers and functions of the MILG enable it to have general supervision over constituent local governments, which is also one of its goals⁶;

WHEREAS, the Ministry of Finance, Budget and Management (MFBM) is primarily mandated to evolve sound, efficient and responsive fiscal management and utilization of resources⁷;

WHEREAS, the MFBM is further mandated to be responsible for the formation, institutionalization, and administration of fiscal policies in coordination with other concerned ministries, agencies, and instrumentalities of the Bangsamoro Government⁸;

WHEREAS, the LGUs derive their revenues from local sources which include tax revenues from the real property tax and the business tax, and non-tax revenues from fees and charges, receipts from government business operations and proceeds from sale of assets⁹;

WHEREAS, LGUs also derive their revenues from external sources such as the National Tax Allocation (NTA) and other shares from special laws, grants, and aids and borrowings¹⁰; and

WHEREAS, it is important that the Bangsamoro Transition Authority (BTA) Parliament as the interim government of the Bangsamoro Government be furnished with an updated report on income classification and revenue sources of LGUs in the BARMM, in order to inform legislations of the Bangsamoro Parliament.

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, by the BTA Parliament to pass and approve this Resolution Requesting the Bureau of Local Government Finance (BLGF) Regional Office XII to furnish the Bangsamoro Transition Authority (BTA) Parliament of an Updated Report on Income Classification and Revenue Sources of Local Government Units (LGUs) in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM).

RESOLVED FURTHER, that copy of this Resolution be furnished to the BLGF Regional Office XII, for information and appropriate action.

Adopted,


ENGR. BAIN TAN ADIL-AMPATUAN, MNSA
Author

⁶ *Ibid.*

⁷ <https://mfbm.bangsamoro.gov.ph/mandate>

⁸ *Ibid.*

⁹ Local Taxes, Chapter XI, <https://ntrc.gov.ph/images/Publications/guide-to-philippine-taxes-2016/local-taxes.pdf>

¹⁰ *Ibid.*