



HOUSE OF REPRESENTATIVES

H. No. 5064

BY REPRESENTATIVES LAPUS, UY (E.), TEVES, DE VENECIA, SY-ALVARADO,
PANCHO, SILVERIO, NICOLAS, JOSON, VIOLAGO, ANTONINO,
NEPOMUCENO, MACAPAGAL-ARROYO, AQUINO (R.), ROQUERO,
TEODORO, MAGSAYSAY (M.), SINGSON, CUA (J.), DUMPIT, DOMOGAN,
DOMINGUEZ, CHUNGALAO, OLAÑO AND CHAVEZ, PER COMMITTEE
REPORT NO. 1343

AN ACT AMENDING REPUBLIC ACT NO. 7227, AS AMENDED,
OTHERWISE KNOWN AS THE BASES CONVERSION AND
DEVELOPMENT ACT OF 1992

*Be it enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:*

1 SECTION 1. Sec. 12(b) of Republic Act No. 7227, as amended,
2 otherwise known as the Bases Conversion and Development Act of 1992 is
3 hereby amended to read as follows:

4 "SEC. 12. *Subic Special Economic Zone.* - x x x

5 "(b) The Subic Special Economic Zone shall be
6 operated and managed as a separate customs territory ensuring
7 free flow or movement of goods and capital within, into and

1 exported out of the Subic Special Economic Zone, as well as
2 provide incentives TO DULY REGISTERED BUSINESS
3 ENTERPRISES OPERATING WITHIN THE SUBIC SPECIAL
4 ECONOMIC ZONE AS PROVIDED FOR UNDER REPUBLIC ACT
5 NO. 7916 OR THE SPECIAL ECONOMIC ZONE ACT OF 1995, AS
6 AMENDED, such as tax and duty-free importations of raw
7 materials AND capital [and] equipment. However, exportation or
8 removal of goods from the territory of the Subic Special
9 Economic Zone to the other parts of the Philippine territory shall
10 be subject to customs duties and taxes under the [Customs and
11 Tariff Code] TARIFF AND CUSTOMS CODE OF THE
12 PHILIPPINES, AS AMENDED, THE NATIONAL INTERNAL
13 REVENUE CODE OF 1997, AS AMENDED, and other relevant tax
14 laws of the Philippines”;

15 SEC. 2. Sec. 15 of Republic Act No. 7227, as amended, otherwise
16 known as the Bases Conversion and Development Act of 1992 is hereby
17 amended to read as follows:

18 “SEC. 15. *Clark and Other Special Economic Zones.* –

19 Subject to the concurrence by resolution of the local government
20 units directly affected, the President is hereby authorized to
21 create by executive proclamation a Special Economic Zone AS

1 **DEFINED UNDER SECTION 4(A) OF REPUBLIC ACT NO. 7916**
2 **AS AMENDED**, covering the lands occupied by the Clark military
3 reservations and its contiguous extensions as embraced, covered
4 and defined by the 1947 Military Bases Agreement between the
5 Philippines and the United States of America, as amended,
6 located within the territorial jurisdiction of Angeles City,
7 Municipalities of Mabalacat and Porac, Province of Pampanga,
8 and the [municipality] **MUNICIPALITIES OF Capas AND**
9 **BAMBAN**, Province of Tarlac, in accordance with the policies as
10 herein provided insofar as applicable to the Clark military
11 reservations.

12 "x x x

13 ["Upon recommendation of the Conversion Authority, the
14 President is likewise authorized to create Special Economic
15 Zones covering the Municipalities of Morong, Hermosa,
16 Dinalupihan, Castillejos and San Marcelino.]

17 **"UPON RECOMMENDATION OF THE CONVERSION**
18 **AUTHORITY, THE PRESIDENT IS LIKewise AUTHORIZED TO**
19 **CREATE SPECIAL ECONOMIC ZONES COVERING THE CITY OF**
20 **BALANGA AND THE MUNICIPALITIES OF LIMAY, MARIVELES,**

1 MORONG, HERMOSA AND DINALUPIHAN, PROVINCE OF
2 BATAAN”.

3 “UPON RECOMMENDATION OF THE CONVERSION
4 AUTHORITY, THE PRESIDENT IS FURTHER AUTHORIZED TO
5 CREATE SPECIAL ECONOMIC ZONES COVERING THE
6 MUNICIPALITIES OF CASTILLEJOS, SAN MARCELINO AND SAN
7 ANTONIO, PROVINCE OF ZAMBALES”.

8 “DULY REGISTERED BUSINESS ENTERPRISES OPERATING
9 WITHIN THE CLARK SPECIAL ECONOMIC ZONE, JOHN HAY
10 SPECIAL ECONOMIC ZONE, PORO POINT SPECIAL ECONOMIC
11 ZONE, MORONG SPECIAL ECONOMIC ZONE, AND ALL OTHER
12 SPECIAL ECONOMIC ZONES CREATED UNDER THIS SECTION,
13 AND WHICH ARE REGISTERED OR TO BE REGISTERED AS SUCH
14 WITH THE RESPECTIVE ZONE AUTHORITIES, SHALL BE
15 ENTITLED TO THE SAME TAX INCENTIVES AS PROVIDED FOR
16 UNDER REPUBLIC ACT NO. 7916, OR THE SPECIAL ECONOMIC
17 ZONE ACT OF 1995, AS AMENDED”.

18 “EXCEPT FOR REAL PROPERTY TAXES ON LAND OWNED
19 BY DEVELOPERS, NO TAXES, LOCAL AND NATIONAL, SHALL BE
20 IMPOSED ON BUSINESS ESTABLISHMENTS OPERATING WITHIN
21 THE ECOZONE. IN LIEU THEREOF FIVE PERCENT (5%) OF THE
22 GROSS INCOME EARNED BY ALL BUSINESS ENTERPRISES

1 WITHIN THE ECOZONE SHALL BE PAID AND REMITTED AS
2 FOLLOWS:

3 (A) THREE PERCENT (3%) TO THE NATIONAL
4 GOVERNMENT;

5 (B) TWO PERCENT (2%) WHICH SHALL BE DIRECTLY
6 REMITTED BY THE ESTABLISHMENTS TO THE HOST LOCAL
7 GOVERNMENT UNIT/S AFFECTED BY THE DECLARATION OF THE
8 ZONE IN PROPORTION TO THEIR POPULATION, LAND AREA AND
9 OTHER FACTORS”.

10 SEC. 3. *Repealing Clause.* – All laws, decrees, orders, rules and
11 regulations or other issuances or parts thereof inconsistent with the provisions
12 of this Act, including Section 50 of Republic Act No. 7916, as amended,
13 otherwise known as The Special Economic Zone Act of 1995, are hereby
14 repealed or modified accordingly.

15 SEC. 4. *Separability Clause.* – If any provision of this Act is
16 subsequently declared unconstitutional, the validity of the remaining provisions
17 hereof shall remain in full force and effect.

18 SEC. 5. *Effectivity.* – This Act shall take effect fifteen (15) days after
19 its publication in the *Official Gazette* or in any two newspapers of general
20 circulation, whichever comes earlier.

 Approved,