

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



'22 JUL 13 P2 :09

SENATE  
S. No. 513

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**Introduced by SENATOR RAMON BONG REVILLA, JR.**

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**AN ACT  
TO RECONSTRUCT AND REHABILITATE THE EXISTING 479-KILOMETER  
PHILIPPINE NATIONAL RAILWAYS LINE FROM SAN FERNANDO, LA UNION  
TO LEGAZPI CITY, ALBAY, PROVIDING FUNDS FROM THE ANNUAL  
VALUE-ADDED TAX COLLECTIONS, AMENDING FOR THE PURPOSE THE  
NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED**

**EXPLANATORY NOTE**

On May 8, 1938, the unified system of railroad from San Fernando, La Union in the north to Legazpi City, Albay in the south was formally inaugurated. The interconnection provided by this railroad system facilitated effective and efficient transportation of people and goods that redounded to the development of the country's economy. However, it declined over the years due to natural disasters, informal settlers, lack of support from the government, and other causes.

This measure seeks to reconstruct and rehabilitate the Philippine National Railways (PNR) rails from San Fernando in the province of La Union to Legazpi City in the province of Albay, by allocating to it five percent (5%) of annual value-added tax (VAT) collections. Such endeavors will not only revive the speedy transport between the northern and southern part of Luzon but will also create job opportunities through sustainable infrastructure projects.

This measure was filed by Senator Ralph G. Recto in the 18<sup>th</sup> Congress.

In view of the foregoing, the immediate passage of this measure is highly recommended.

  
**RAMON BONG REVILLA, JR.**

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TO LEGAZPI CITY, ALBAY, PROVIDING FUNDS FROM THE ANNUAL VALUE-  
ADDED TAX COLLECTIONS, AMENDING FOR THE PURPOSE THE NATIONAL  
INTERNAL REVENUE CODE OF 1997, AS AMENDED**

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

1           Section 1. A new section, to be number two hundred eighty-seven (287), shall  
2 be added to Chapter II, Title XI of the National Internal Revenue Code, as amended  
3 to read as follows:

4                   **"SEC. 287. DISPOSITION OF PROCEEDS OF**  
5                   **VALUE-ADDED TAX. – A.) TWO AND A HALF PERCENT**  
6                   **(2.5%) OF THE VALUE-ADDED TAX COLLECTED**  
7                   **UNDER TITLE IV OF THIS ACT, AS AMENDED, SHALL**  
8                   **BE ALLOCATED TO RECONSTRUCT AND**  
9                   **REHABILITATE THE EXISTING 479-KILOMETER**  
10                   **PHILIPPINE NATIONAL RAILWAYS LINE FROM SAN**  
11                   **FERNANDO, LA UNION TO LEGAZPI CITY, ALBAY;**

12                   **"B.) TWO AND A HALF PERCENT (2.5%) OF THE**  
13                   **VALUE-ADDED TAX COLLECTED UNDER TITLE IV OF**  
14                   **THIS ACT, AS AMENDED, SHALL BE COLLECTED FOR**  
15                   **THE ACQUISITION OF ROAD RIGHT OF WAY NEEDED**

1 TO IMPLEMENT THE PROJECT MENTIONED IN THE  
2 PRECEDING PARAGRAPH.

3 "THE ALLOCATION SHALL BE ADMINISTERED  
4 BY THE DEPARTMENT OF TRANSPORTATION (DOTr),  
5 THROUGH ITS ATTACHED AGENCY PHILIPPINE  
6 NATIONAL RAILWAYS (PNR)."

7 Sec. 2. The succeeding Sections of the National Internal Revenue Code, as  
8 amended, are hereby renumbered accordingly.

9 Sec. 3. *Implementing Rules and Regulations.* – The Department of Budget and  
10 Management, in coordination with the Department of Finance, Bureau of Internal  
11 Revenue, DOTr and PNR shall, within thirty (30) days from the effectivity of this Act,  
12 promulgate the rules and regulations to effectively implement the provisions of this  
13 Act.

14 Sec. 4. *Separability Clause.* – If any provision or part hereof is held invalid or  
15 unconstitutional, the remainder of the law or the provision or part not otherwise  
16 affected shall remain valid and subsisting.

17 Sec. 5. *Repealing Clause.* – All laws, decrees, orders, rules and regulations or  
18 parts thereof inconsistent with this Act are hereby repealed or amended accordingly.

19 Sec. 6. *Effectivity.* This Act shall take effect fifteen (15) days after its  
20 publication in the *Official Gazette* or in two (2) newspapers of general circulation.

*Approved,*