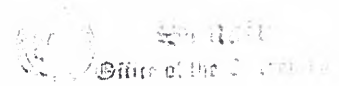


NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



'22 JUL 26 A11 :38

SENATE

RECEIVED

S. No. 889

Introduced by Senator FRANCIS G. ESCUDERO

AN ACT
ABOLISHING THE USE OF COMMUNITY TAX CERTIFICATE AND THE POWER
TO LEVY COMMUNITY TAX REPEALING FOR THAT PURPOSE THE
PERTINENT PROVISIONS OF REPUBLIC ACT NO. 7160, AS AMENDED,
OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991

EXPLANATORY NOTE

The history of the community tax certificate or *cedula*, then known as residence tax and residence certificate, brings incarnations of our country's colonial past. First implemented as a 19th century tax reform in the Philippines during the Spanish colonial times, following the abolition of the tribute system, the *cedula* was issued to all Filipinos, then called *indios*, upon payment of a residence tax.¹

The *cedula* would later on play a significant role in Philippine Revolution when Andres Bonifacio together with his fellow *katipuneros* tore up their *cedulas* in defiance of Spanish rule in a meeting in Balintawak, known as the Cry of Pugadlawin that signalled the beginning of Philippine Revolution.

Today, however, with the identification of other sources of local revenue, the share of community tax in local government revenues has shrunk to insignificant amounts. Along with the increasing use of passport and tax identification numbers in official government transactions, the lack of means and willingness to verify under-declaration of income and non-procurement of community tax certificates has further eroded community tax collections. As a result, payment of community tax "had almost become a voluntary matter²."


¹ Caro, R. L. (2007) "Background on the Community Tax." *National Tax Research Journal*. 13. 20-25.

² Ibid.

This bill, symbolic it may seem, abolishes the community tax certificate system, primarily its use as a form of identification as when, among others, a Filipino acknowledges a document before a notary public, takes an oath of office or is appointed to a government position. It is submitted that the *cedula* as a primary form of identification has lost its significance and value. If at all, the *cedula* only serves as a mere relic of our country's colonial past.

Consequently, the pertinent provisions of the Republic Act No. 7160, the Local Government Code of 1991, as amended, are proposed to be repealed, which carry over the provisions imposing residence tax then found in Commonwealth Act No. 465 and the Local Tax Code of 1973, and mandate the use of community tax certificates as a primary form of identification.

I submit.



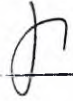
FRANCIS G. ESCUDERO

'22 JUL 26 AM 11:38

SENATE

S. No. 889

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AN ACT
ABOLISHING THE USE OF COMMUNITY TAX CERTIFICATE AND THE
POWER TO LEVY COMMUNITY TAX REPEALING FOR THAT PURPOSE
THE PERTINENT PROVISIONS OF REPUBLIC ACT NO. 7160, AS
AMENDED, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE
OF 1991

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

1 Section 1. *Repealing Clause.* Sections 156 to 164, Article Six, Title
2 One, Book II, Chapter 2, Specific Provisions on the Taxing and Other Revenue
3 Raising Powers of Local Government Units, of Republic Act No. 7160 are
4 hereby repealed.

5 All laws, presidential decrees, executive orders, proclamations and/or
6 administrative regulations which are inconsistent with the provisions of this
7 Act are hereby amended, modified, superseded or repealed accordingly.

8 *Sec. 2. Implementing Rules and Regulations.* The Secretaries of the
9 Department of Finance, the Department of Budget and Management and the
10 Department of the Interior and Local Government, and the presidents of the
11 *liga* shall promulgate the required rules and regulations for the speedy and
12 effective implementation of this Act.

13 *Sec. 3. Separability Clause.* If any provision or part hereof is held
14 invalid or unconstitutional, the remainder of the law or the provision not
15 otherwise affected shall remain valid and subsisting

16
17 *Sec. 4. Effectivity Clause.* This Act shall take effect fifteen (15) days
18 from its publication in at least two newspapers of national circulation.

19 *Approved,*