GUIDELINES/PROCEDURES IN THE COMPUTATION OF 40% SHARE OF LOCAL GOVERNMENT UNITS IN THE PROCEEDS OF MINING TAXES (EXCISE) COLLECTED BY THE BUREAU PURSUANT TO THE LOCAL GOVERNMENT...

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I
OBJECTIVES
This order is issued to:

A. Facilitate the claims of local government units of their 40% share in the proceeds of mining tax (excise) collections by the Bureau pursuant to the provisions of the Local Government Code (RA 7160).

B. Enhance mining tax (excise) collections in coordination with the local government units.

II
POLICIES
A. Mining taxes (excise) shall include excise taxes, imposed on the privilege to explore, develop and exploit mining resources. For internal revenue tax purposes, mining taxes (Sec. 19(f) of NIRC) shall refer only to the excise tax on mineral products imposed under Sec. 151(a) of the NIRC, as amended by EO No. 273. The following goods such as but not limited to the following shall be considered as mineral and mineral products:

1. METALS

EXAMPLES

a.

Ferrous

a.1

Iron

Iron Ore

a.2

Ferro alloying

Manganese ore, metallurgical, chemical and refractory chromite, molybdenum

b.

Non-ferrous

b.1

Base

Copper, tin, mercury

b.2

Light

Aluminum, magnesium, titanium

b.3

Precious

Gold, silver, platinum

b.4

Rare

Uranium, radium beryllium

2.

NON-METALS

a.

Mineral fuels

a.1

Fluid

Liquid

Indigenous petroleum

Gaseous

Natural gas

a.2

Solid

Hard coal

Anthracite

Soft coal

Semi-anthracite

Compressed

coal

Coke

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b. Other non-metals such as but not limited to: sand and gravel, stone, cement materials, gypsum, sulfur, salt, marble, limestone, coral, shale, slate, quartzite, schist, volcanic cinder, perlite, tuff, granite basalt, andesite, gabbro, conglomerate, and other quarried materials, phosphate rock, potash, nitrates, guano and pyrite, silica, feldspar, talc, fire clay, clay and all varieties of clay, sandstone, corundum, industrial diamonds, pumice, emery, magnesia, asbestos, mica, ocher, clay, diatomite, barite, bentonite, fuller's earth, quartz.

This also includes Precious and Semi-Precious stones in raw form such as but not limited to: Gem diamond, amethyst, amber, emerald, ruby, garnet, opal, agate, jade, geode.

B. The municipality/city where the mining/quarry site is located shall be responsible in informing the Revenue Accounting Division, BIR of the actual mining (excise) tax collections paid to the Bureau based on the certification secured by them from the Collection Officers (CO) if paid thru the latter or from the Computer and Information System Service (CISS) if paid thru banks.

C. The evidence of tax payments (see III-A-2) of this RMO) secured by the LGU on the actual mining tax (excise) collections shall be submitted to the Bureau within thirty (30) days after the close of each fiscal year.

D. The LGU shall inform the BIR thru the Collection Officer/Excise Tax Area (EXTA) Revenue Officer of any taxpayer who fails to pay mining tax (excise). All Collection Officers or EXTA Revenue Officers receiving such information from LGUs shall coordinate with each other in effecting the collection of such taxes (excise).

III
GUIDELINES AND PROCEDURES:
A. Local Government Units (LGUs) The LGUs shall:

1. Secure from the mining companies a certification of mining tax (excise) payments indicating therein the exact location of the mining/quarry site, the kind of mineral/product, the total value, amount of tax paid, etc. (See attached format-Annex A*).

2. Secure from the taxpayers photocopies of Revenue Official Receipts (RORs) Payment Orders (POs), Confirmation Receipts (CRs) or Authority to Accept Payment (ATAP).

3. Submit the photocopies of RORs and secure certification of tax payments from the Collection Officer where the mining taxes are paid by the mining/quarry establishments, if tax payments are made thru the Collection Officers.

4. Attach the photocopies of POs-CRs/ATAPs and secure certification of tax payments from the CISS, if tax payments are made thru banks.

5. Transmit original certification/s duly certified by FOB/CISS to the Revenue Accounting Division, BIR National Office.

B. Collection Officer (CO) - The CO shall:

1. Receive the photocopies of RORs from LGUs.

2. Verify/check the tax payments against all the Monthly Report of Collections (BIR Form No. 12. 31).

3. Prepare the certification of tax payments (see Annex B*) in three (3) copies, the distribution of which shall be as follows:

Original - Revenue Accounting Division
Duplicate - Local Government Unit concerned
Triplicate - File copy

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4. Forward certification to Fiscal Operations Branch for confirmation of tax remittance to the Bureau of Treasury.

C. Chief, Fiscal Operations Branch (FOB) - The Chief, FOB shall:

1. Verify if the amount is actually remitted to the Bureau of Treasury;

2. Sign certification;

3. Release the original copy to the LGU for submission to the Revenue Accounting Division and the duplicate copy for his file.

D. Computer and Information Systems Service (CISS) - The CISS shall:

1. Receive photocopies of POs/CRs or ATAPs from LGUs.

2. Verify/check POs/CRs/ATAPs against the monthly listings of summary of collections thru banks by type of tax.

3. Prepare the certification of tax payments (see Annex C*) in three (3) copies, the distribution of which shall be as follows:

Original - Revenue Accounting Division
Duplicate - Local Government Unit concerned
Triplicate - File copy

4. Release to the LGU the original copy for submission to Revenue Accounting Division and the duplicate copy for LGU's file.

E. Chief, Revenue Accounting Division (RAD) - The Chief, RAD shall:

1. Receive from LGU certification/s of tax payments;

2. Compute for the share of the LGU concerned in accordance with Art. 386-392 of the Local Government Code (LGC) and fill up the form (see Annex B) for the allocation of shares for each barangay/municipality/city/province.

3. Transmit to the Department of Budget and Management (DBM) said computation/allocation of shares of each LGU.

IV
EFFECTIVITY
This Order shall take effect immediately.

Adopted: 14 Apr. 1993

(Sgd.) VICTOR A. DEOFERIO, JR.
Deputy Commissioner

Officer in Charge

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* Text available upon request at the Office of the National Administrative Register (ONAR), U.P. Law Center, Diliman, Quezon City.

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